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| (54) Title: SYSTEM AND METHOD FOR DEVELOPING AND MANAGING A FINANCIAL SERVICES PRODUCT  |  |  |   |
| (57) Abstract   |  |  |   |
| <p>A system and method for developing and managing a financial services product has been disclosed. The system includes a central processing unit, a plurality of user interfaces for use by a cross-functional product development team, and a memory including data files for storing particular information in connection with the method. The data files can be accessed, reviewed and/or updated by various members of the product development team. In accordance with invention, the central processing unit is programmed to incorporate a unique product development process including one or more stages associated with designing, approving, launching and managing the product. Each of these stages, in turn, incorporates one or more of the following features: risk management processes, quality control processes, data-driven analytics and cross-functional team attributes. This unique integrated system and method provides a consistent, sustainable and repeatable process applicable to the development and management of a wide variety of financial services products.</p> |  |  |   |

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**SYSTEM AND METHOD FOR DEVELOPING AND  
MANAGING A FINANCIAL SERVICES PRODUCT**

**Cross-Reference To Related Application**

This application is a continuation-in-part of co-pending United States patent application Serial No. 09/293,398, filed April 16, 1999, which is incorporated herein by reference.

**5 Background Of The Invention**

The present invention relates to a system and method for developing and managing a financial services product. In particular, the present invention relates to an integrated system and method for designing, approving, launching and managing a financial services product.

10 In the financial services field, including the insurance industry, new product development has traditionally been modeled after an assembly-line production process where the various business functions were not well integrated. For example, when a proposed new product was being developed, the functions of product design, risk management, finance, investment management, sales/distribution and 15 administration were generally performed serially and not well coordinated.

20 This traditional approach to insurance product development has typically not fostered innovation. Indeed, in the past twenty years, very few so-called "new" insurance products can be truly labeled "cutting edge," "innovative" or "new to the world." Instead, product development efforts in the insurance industry have focussed on so-called product "enhancements" with only incremental gains (and 25 risks) over existing products and where limited investments into systems, operations, marketing and finance were required. Such incremental product "enhancements" are to be contrasted with "cutting edge" products that have a comparably higher potential for revenue and require significant investment in systems, operations, marketing and finance to bring the product to market.

In addition to hindering the development of innovative products, the traditional non-integrated, serial development process has created problems, many of which are still common today amongst insurance companies. First, in many insurance companies there is insufficient discipline in analyzing and validating the 5 marketplace need for a particular new product. For example, it is not uncommon to have a product development process that is primarily an ad hoc reactive process (i.e., based on subjective decision making) driven by a top producer's needs and perceptions (as opposed to documented data). This can result in products being developed without a sufficient market to warrant the investment or, in certain 10 instances, with product features that are mis-aligned with actual customer needs, requirements or expectations.

Second, it is also not uncommon for there to be inadequate screening of proposed new products early in the development stage to ensure that scarce resources (i.e., systems, capital and people) are allocated according to the potential importance of the product to the business. This can result in a product development process that is 15 inherently slow and inefficient.

Third, lack of integration in the product development process can result in certain functions not being involved early enough in the process so as to minimize unforeseen problems in launching a product to market. Such lack of discipline in project management can result in delays in launching a product to market and, in 20 extreme cases, the development of products that are incapable of ever being launched or if launched, would require excessive re-work to correct the product or business deficiencies.

Fourth, it is not uncommon amongst insurance companies to have limited post- 25 development performance assessment of not only a new product launched to market, but the project and system used to bring that product to market. This can result in a product development process that does not learn from its successes and failures and which is therefore less susceptible to improvement.

Lastly, it is not uncommon amongst insurance companies to not clearly delineate roles, responsibilities and decision-making authority in the product development process. For example, many product development processes not only lack clear "go"/"no-go" decision points, but the authority responsible for making such decisions can also be missing. This can result in the development of a product where launch decisions are not continually validated throughout the process. Such a process can result in a product that is not cost effective to the customer and/or profitable to the company.

Although in the last few years some insurance companies have realized that a better way to develop innovative products is to assemble an integrated, cross-functional product development team led by a product manager, there is still a need for improved systems and methods for developing and managing financial services products. In particular, there is still a need for an integrated and overall system and method for designing, approving, launching and managing financial services products and which addresses the type and class of problems discussed above in connection with the insurance industry. Indeed, although there have been various computer systems proposed over the years for specific use in the insurance industry, the systems of which the applicants are aware have limited utility.

In particular, U.S. Patent No. 5,819,230 to Christie et al. discloses a system and method for administering a combined mortgage and life insurance program to finance a real estate purchase and to purchase a life insurance product. The primary objective of this system and method, however, is to manage a mortgage and life insurance combination program in which all or a portion of the funds normally used as a down payment for the mortgage are used to purchase a life insurance policy.

U.S. Patent No. 5,806,042 to Kelly et al. discloses a system and method for designing and implementing a so-called "bank owned life insurance" plan. This system and method, however, is focussed on addressing the unique problems associated with such "bank owned life insurance" plans under legal regulatory requirements (i.e., federal and state guidelines).

U.S. Patent No. 4,837,693 to Schotz discloses a method and apparatus for facilitating operation of an insurance plan. The insurance plan to which this patent is directed, however, is of the type that would enable an employer to allow an employee to convert from a group insurance plan to an individual contract.

5       U.S. Patent No. 5,839,118 to Ryan et al. discloses a system and method for premium optimization and loan monitoring. The insurance plan to which this patent is directed involves an employer pension plan funded with life insurance.

10      U.S. Patent No. 5,752,236 to Sexton et al. discloses a life insurance method and system which involves an insurance plan with at least two separate but related insurance contracts on the same insured person or entity.

15      U.S. Patent No. 5,655,085 to Ryan et al. discloses a computer system for initiating, processing, preparing, storing and transmitting illustrations of universal life insurance.

20      U.S. Patent No. 5,523,942 to Tyler et al. discloses a design grid for inputting insurance and investment product information in a computer system. More particularly, it discloses a computer implemented graphical user interface displayed on a computer screen for receiving instructions and information relating to a plurality of insurance products and for displaying an insurance proposal related thereto.

25      None of the methods and systems disclosed in the above patents, however, are directed to an integrated and overall system and method for designing, approving, launching and managing an insurance product. Accordingly, they cannot generally be used to solve the various traditional product development problems discussed above in connection with insurance products.

25      In addition, although outside the financial services product field there have been various systems proposed for assisting in the development of industrial and commercial products, the systems of which the applicants are aware do not address the unique problems associated with the development of a financial services product,

including an insurance product. In particular, these systems do not facilitate the formation and integration of a cross-functional product development team of the type required in the financial services field where a wide variety of functions are represented on the team including: product development, channel management, risk 5 management, actuarial, compliance/legal, marketing, product management, sales, finance, investments, operations and systems. They also do not promote a production process that is grounded in documented data, as opposed to ad hoc subjective decision making.

Accordingly, although the following United States patents of which the applicants 10 are aware are directed to systems for assisting in the development of industrial and commercial (as opposed to financial services) products, they do not generally involve the types of unique problems discussed above in connection with financial services products.

15 U.S. Patent No. 5,208,765 to Turnbull discloses a computer-based method and system for product development. In particular, as described in the "Background of the Invention" section therein, the type of product to which this patent is primarily directed is a semiconductor product which has its own unique problems associated with and encountered during product development.

20 U.S. Patent No. 5,761,063 to Jannette et al. discloses a design and engineering project management system. As discussed in the "Background Art" section therein, the type of product to which this patent is primarily directed is a multi-component product such an automobile which, here again, has its own unique problems associated with and encountered during product development.

25 In addition to the above specific prior art concerning product development, there is a variety of more general prior art concerning computer systems for project scheduling and management. Such prior art, which includes the following of which the applicants are aware of, also does not address the types of unique problems discussed above in connection with financial services products. U.S. Patent No. 5,548,506 to Srinivasan discloses an automated, electronic network-based, project

management server system for managing multiple work-groups. U.S. Patent No. 5,050,074 to Marca discloses a system for facilitating coordination of activities by a plurality of actors. U.S. Patent No. 5,408,663 to Miller discloses a resource allocation method to optimize project scheduling. U.S. Patent No. 5,551,028 to Voll et al. 5 discloses a design data management system for organizing design data in a computer system so that multiple data files can be represented and manipulated as a single entity. U.S. Patent No. 5,675,745 to Oku discloses an organization activity management system employing a database. U.S. Patent No. 5,596,502 to Koski et al. discloses a computer system for decision support scheduling to assist in the 10 allocation of resources to produce products.

In light of the above deficiencies in the prior art in connection with financial services products, it would be desirable to be able to provide an improved system and method for developing and managing a financial services product.

It would also be desirable to be able to provide an integrated system and method for 15 designing, approving, launching and managing a financial services product.

It would further be desirable to be able to provide a system and method for improving the evaluation and analysis of market need for new financial services products at the front-end of the product development process.

It would yet further be desirable to be able to provide a system and method for 20 improving the post-development performance assessment of not only a financial services product launched to market, but the process used to do so.

It would still further be desirable to be able to provide a system and method for developing a more disciplined project management approach for the design and introduction of financial services products.

25 **Summary Of The Invention**

It is an object of this invention to provide an improved system and method for developing and managing a financial services product.

It is also an object of this invention to provide an integrated system and method for designing, approving, launching and managing a financial services product.

It is a further object of this invention to provide a system and method for improving the evaluation and analysis of market need for new financial services products at the 5 front-end of the product development process.

It is a yet further object of this invention to provide a system and method for improving the post-development performance assessment of not only a financial services product launched to market, but the process used to do so.

10 It is still a further object of this invention to provide a system and method for developing a more disciplined project management approach for the design and introduction of financial services products.

In accordance with a first embodiment of the present invention, there is provided a 15 method for developing financial services products. The method includes the steps of: [a] assembling a cross-functional market assessment team including team members representing at least a plurality of the following: a business leader, a project leader, a market assessment process owner, a market assessment analyst, a develop solutions leader, a key stake holder, a market research supplier and a subject matter expert; [b] providing each member of the team with a user interface coupled to a central processing unit; [c] programming the central processing unit with a 20 process to assist in the development of the products, wherein the process includes: [c1] a plurality of sequential, pre-determined principal steps associated with the development of the products including the steps of assessing a market and identifying opportunities comprising: collecting secondary data, conducting primary research, creating a strategy and validating opportunities; [c2] statements of criteria 25 for determining whether a principal step has been successfully completed in order to proceed to a subsequent step; and [c3] data-driven analytics integrated into each of the principal steps so that the products are developed based on documented and quantifiable data.

In accordance with a second embodiment of the present invention there is provided a computer system having input means, memory means, processor means and display means, for developing a financial services products. The system includes: [a] a first data file stored in the memory means containing statements of a plurality of principal steps involved in the development of the financial services product including steps for assessing a market and identifying opportunities; [b] a second data file stored in the memory means containing statements of a plurality of component sub-steps associated with each principal step including the sub-steps of collecting secondary data, conducting primary research, creating a market strategy, and validating opportunities; [c] a third data file stored in the memory means containing statements of criteria for determining whether a principal step has been successfully completed, including by identifying necessary approval entities and the standards to be applied by the entities; [d] a fourth data file stored in the memory means containing a plurality of tools associated with at least one principal step or sub-step and further including a representational icon associated therewith, the icon to be displayed on the display means with the principal step or sub-step with which the tool is associated, the tools being chosen from the group comprising: [d1] a glossary of terms and phrases useful in developing and managing a financial services products; [d2] a list of previously prepared documents potentially applicable for at least one sub-process and created using an application software product, the documents stored electronically in the memory means in the file format of the application software product used to create them; [d3] a list of approvals required for successful completion of the step; [e] means for displaying on the display means statements of the principal steps from the first data file and for permitting the user to select, through the input means, one of the principal steps; [f] a means responsive to user selection of a principal step for accessing the second data file, retrieving from the second data file statements of the sub-steps associated with the selected principal step and displaying on the display screen the retrieved statements of the principal step and the associated sub-steps; [g] means responsive to the user selection of a principal step or an associated sub-step for accessing the fourth data file, retrieving information from the fourth data file relating to tools associated with the selected step or sub-step and displaying on the display means

icons for those tools; [h] means for displaying any tool in response to user selection of an icon representing the tool; and [i] means responsive to the user selection of a tool comprising a document created in a software product for causing that product to be started on the computer system and, thereafter, for the document to be 5 launched and displayed to the user on the display means.

In accordance with a third embodiment of the present invention there is provided a system for developing financial services products. The system includes a [a] a central processing unit; [b] a plurality of user interfaces coupled to the processing unit for use by members a cross-functional market assessment team, each including 10 as associated user display and user input means; [c] a memory coupled to the processing unit and including the following data files stored therein to be accessed and reviewed by members of the cross-functional market assessment team through the user interfaces: [c1] a first data file containing statements of a plurality of principal steps involved in the development and management of the financial 15 services product including steps for assessing a market and identifying opportunities; [c2] a second data file containing statements of a plurality of component sub-steps associated with each principal step including the sub-steps of: collecting secondary data, conducting primary research, creating a market strategy, and validating opportunities; [c3] a third data file containing statements of criteria 20 for determining whether a principal step has been completed; [c4] a fourth data file containing a plurality of tools associated with at least one principal step or sub-step and further including a representational icon associated therewith, the icon to be displayed on the user displays with the principal step or sub-step with which the tool is associated; [c5] a fifth data file containing a plurality of documents associated 25 with at least one principal step or sub-step; [d] means for displaying on the user displays statements of the principal steps from the first data file and for permitting a user to select, through the input means, one of the principal steps; [e] means responsive to user selection of a principal step for accessing the second data file, retrieving from the second data file statements of the sub-steps associated with the 30 selected principal step and for displaying on a user display the retrieved statements of the principal step and the associated sub-steps; [f] means responsive to the user

selection of a principal step or an associated sub-step for accessing the fourth data file, retrieving information from the fourth data file relating to tools associated with the selected step or sub-step and for displaying on a user display icons for those tools; [g] means for displaying any tool in response to user selection of an icon representing the tool; and [h] means responsive to the user selection of a tool for assisting in the creation of a document associated with the selected step or sub-step and for storing said created document in the fifth data file.

In accordance with a fourth embodiment of the present invention there is provided an integrated system for developing a financial services product. The system includes: [a] a central processing unit programmed to assist in the development of the product by a cross-functional market assessment team including: a business leader, a project leader, a market assessment process owner, a market assessment analyst, a develop solutions leader, a key stake holder, a market research supplier and a subject matter expert; [b] a plurality of user interfaces coupled to the central processing unit each including an input means and display means adapted for use by the cross-functional market assessment team; [c] a memory coupled to the central processing unit including data files for storing pre-selected information in connection with the development of the product, wherein the data files can be retrieved by members of the market assessment team through the user input means, said data files including at least: [c1] a first data file associated with a first stage of the development of the product wherein the first stage includes steps for assessing a market and identifying opportunities comprising: collecting secondary data, conducting primary research, creating a strategy and validating opportunities; and [c2] a second data file associated with a second subsequent stage of the development of the product; [d] wherein in response to a first member's retrieval of either the first or second data file, the central processing unit is programmed to display on the member's user display means: [d1] information in connection with the particular stage of development of the product associated with the retrieved data file; [d2] a list of documents stored in a third data file useful in connection with the particular stage of development associated with the retrieved data file, wherein the first member can also retrieve for display any one of said listed documents by selecting such

document through the member's user input means; and [d3] a list of tools for assisting the first member in the creation of documents useful in connection with the particular stage of development associated with the retrieved data file, wherein the documents created by the first member are stored in the third data file to be 5 retrieved and displayed by other members of the team.

In accordance with a fifth embodiment of the present invention there is provided a method for developing a financial services product. The method includes the steps of: [a] assembling a cross-functional market assessment team including team members representing at least a plurality of the following: a business leader, a 10 project leader, a market assessment process owner, a market assessment analyst, a develop solutions leader, a key stake holder, a market research supplier and a subject matter expert; [b] programming a central processing unit with a process to assist in the development and management of the product by the cross-functional market assessment team; [c] coupling a plurality of user interfaces to the central processing unit 15 wherein each user interface includes an input means and display means adapted for use by the cross-functional market assessment team; [d] storing in a memory coupled to the central processing unit data files with pre-selected information in connection with the development of the product, wherein the data files can be retrieved by members of the market assessment team through the user 20 input means, said data files including at least: [d1] a first data file associated with a first stage of the development and management of the product wherein the first stage includes steps for assessing a market and identifying opportunities; and [d2] a second data file associated with a second subsequent stage of the development of the product; [e] programming the central processing unit to display on a first member's 25 user display means, in response to such member's retrieval of either the first or second data file: [e1] information in connection with the particular stage of development of the product associated with the retrieved data file; [e2] a list of documents stored in a third data file useful in connection with the particular stage of development associated with the retrieved data file, wherein the first member can 30 also retrieve for display any one of said listed documents by selecting such document through the member's user input means; and [e3] a list of tools for

assisting the first member in the creation of documents useful in connection with the particular stage of development associated with the retrieved data file, wherein the documents created by the first member are stored in the third data file to be retrieved and displayed by other members of the team.

5      **Brief Description Of The Drawings**

The above and other objects and advantages of the invention will be apparent upon consideration of the following detailed description, taken in conjunction with the accompanying drawings, in which like-reference numerals refer to like-parts throughout, and in which:

10     FIG. 1 is a schematic representation of a computerized system for developing and managing a financial services product in accordance with the present invention;

FIG. 2 is a block diagram showing a method for developing and managing a financial services product in accordance with the present invention;

15     FIG. 3A is a block diagram illustrating certain features associated with a principal step in accordance with the present invention;

FIG. 3B is a block diagram illustrating certain features associated with a component sub-step in accordance with the present invention;

FIG. 4 is a block diagram showing a preferred method for developing and managing an insurance product in accordance with the present invention;

20     FIG. 5 is a screen display illustrating an exemplary process window showing the tool bar and principal steps in connection with the preferred embodiment of the invention illustrated in FIG. 4;

FIG. 6 is a screen display illustrating an exemplary process window showing the tool bar and component sub-steps of principal step No. 3 in connection with the preferred embodiment of the invention illustrated in FIG. 4;

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FIG. 7 shows an illustrative embodiment of a risk exposure tree in accordance with the present invention;

FIG. 8 shows an illustrative embodiment of a failure mode effectiveness analysis tool in accordance with the present invention;

5 FIG. 9 shows an illustrative embodiment of an impact on systems & structures tool in accordance with the present invention;

FIG. 10 shows an illustrative embodiment of a decision tree in accordance with the present invention;

10 FIGS. 11A-E show an illustrative embodiment of a template used for a process risk control system in connection with the preferred embodiment of the process illustrated in FIG. 4;

FIG. 12 shows a preferred embodiment of the market assessment method in accordance with present invention; and

15 FIGS. 13A-C are a flow chart illustrating exemplary roles and responsibilities of the members of the cross-functional team in connection with the method of FIG. 12.

#### Detailed Description Of The Invention

FIG. 1 is a schematic representation of the computerized system for developing and managing a financial services product in accordance with the present invention. System 10 includes central processing unit 12, memory 14 and a plurality of user interfaces 26A - 26N comprising input devices 27A - 27N and display devices 28A - 28N, respectively. In accordance with the present invention, memory 14 includes one or more of the following data files: principal step data file 16, sub-step data file 18, completion criteria data file 20, document data file 22 and tool data file 24, to be described further below. These data files are used by system 10 for assisting in, 20 guiding and tracking the design and marketing of a financial services product. In particular, a user of system 10 can be a member of a cross-functional product development team composed of, for example, a plurality of individuals performing

one or more of the following functions: marketing, product management, systems, operations, finance, product development, channel management, risk management, sales, actuarial, investments and legal/compliance. System 10 includes a plurality of user interfaces 26A-26N to facilitate product development and management in a 5 cross-functional environment where team members have simultaneous access to, and control over, central processing unit 12 and memory 14 associated with the particular product being developed and managed by the team.

In accordance with the present invention, central processing unit 12 is capable of being programmed with a unique process to provide an improved financial services 10 product. In particular, as will be explained further below, central processing unit 12 is programmed with a consistent, sustainable and repeatable process applicable to a wide variety of financial services products. Specifically, the process is capable of incorporating one or more of the following features for standardizing the product development process for financial services products:

- 15 (1) The process can be programmed to incorporate risk management principles for identifying risks associated with the proposed product and creating a complete risk assessment, including mitigants, sensitivity analysis, trigger points and exit strategies, to be discussed further below.
- 20 (2) The process can be programmed to incorporate quality control principles to make sure the proposed product is developed to meet certain predetermined quality standards.
- (3) The process can be programmed to incorporate data-driven analytics so that the proposed product is developed based on documented and quantifiable data (as opposed to subjective anecdotal factors).
- 25 (4) The process can be programmed so that the product is developed with input from a cross-functional team so that the right people are making the right decisions at the right time.

This aspect of the invention is illustrated in FIG. 2, which is a block diagram showing an embodiment of the process described above for improving the quality and projected profitability of a proposed financial services product. In particular, process 30 includes one or more stages 32, 34, 36 and 38 in connection with the development 5 and management of the product. Stage 32 is a design step for designing the product. Stage 34 is an approval step for obtaining proper approval from appropriate members of the development team and others (for example, a company president or regulatory authority). Stage 36 is a product launch step for introducing the product to its respective channel/market. Stage 38 is a managing step for facilitating 10 management of the product after it has been launched to market.

In accordance with the present invention, each of these four stages can include one or more of the four features described above, namely: (1) risk management processes (see steps 32A, 34A, 36A and 38A), (2) quality control processes (see steps 32B, 34B, 36B and 38B), (3) a data-driven analytics approach (see steps 32C, 34C, 36C and 38C) 15 and (4) a cross functional team approach (see steps 32D, 34D, 36D and 38D).

In particular, risk management processes (see steps 32A, 34A, 36A and 38A in FIG. 2) set guidelines and standards for promoting consistency across the business in product development. Accordingly, integrated into the four stages of the life cycle for a new product development program is a complete risk assessment, including 20 mitigants, sensitivity analysis, trigger points and exit strategies, that is not only documented, but is an inherent part of the process.

As is known in the art, mitigants are specific corrective actions (e.g., raise rates, lower commissions or internal expenses) that are planned to manage an identified risk (e.g., profit margin) associated with a financial services product. A sensitivity 25 analysis is a process for stress testing (i.e., to target the identified operational risks and to test their performance capabilities to ensure that they can support the demands of a new product) risks of a product. A sensitivity analysis generally involves working with a best and worst case scenario in order to determine expected profitability of a new product. Results of the sensitivity analysis are used to establish 30 trigger points. A trigger point is an early warning signal used to manage the

identified risk, namely, a pre-determined threshold level (e.g., profit margin 20 % below budget) established for each risk driver (i.e., the primary variables or assumptions that are critical for the product to achieve its projected financial return) which signals when the level of risk is moving outside the risk/return range for the 5 product program. An exit strategy is a specific corrective action for managing risk. For example, when a product's performance falls below pre-determined trigger points, the exit strategy can be implemented to provide a "way out" and protect against further loss. By incorporating such risk management concepts into at least one or all of the stages 32, 34, 36 and 38, the product development process becomes 10 more disciplined and well grounded.

In accordance with the present invention, process 30 is flexible in that the amount of risk management incorporated into a product development program can be tailored to the particular type of product being developed. For example, for long-standing products that are simply being changed in a minor way (e.g., where attributes or 15 features of the product are being slightly modified in order to enhance perceived customer value), process 30 does not need to incorporate the level of risk management that would be needed, for example, to bring an innovative product to market (i.e., one that is "new" to the world). Accordingly, the cross-functional product development team can decide during design stage 32 the level of risk 20 management needed in the subsequent stages 34, 36 and 38 of the development process.

In addition, the quality control processes (see steps 32B, 34B, 36B and 38B in FIG. 2) apply standards of review, analysis and action during development and management of the product to determine what, if any, changes must be made to 25 achieve or maintain the required level of quality. Here again, process 30 is flexible in that the amount of quality control incorporated into a product development program can be varied depending upon the particular type of product being developed or managed. Accordingly, the cross-functional product development team can decide during design stage 32 the level of quality control needed in the subsequent stages 30 34, 36 and 38 of the development process.

As illustrated in FIG. 2 and to be discussed further below, stages 32, 34, 36 and 38 are also grounded in a decision making process based on documented and quantifiable data (i.e., data-driven analytics), as opposed to subjective, anecdotal factors that are less reliable and predictable. Such data is used to also assist in risk management and 5 quality control processes incorporated into process 30. In addition, as illustrated in FIG. 2, inherent in process 30 is a decision making process that includes input from a cross-functional team at each stage of the development process.

In accordance with the present invention, process 30 illustrated in FIG. 2 can be 10 implemented on the computerized system shown in FIG. 1. In particular, system 10 illustrated therein includes (i) central processing unit 12 programmed in accordance with process 30 of FIG. 2 and (ii) memory 14 capable of storing one or more of the following data files associated with this process:

15 (1) A principal step data file 16 that includes an identification of the principal steps involved in developing and managing the financial services product. As used herein, "principal steps" are specific stages in the disclosed process that require, at their completion, structured review and approval before the process can proceed to the next stage of development. Such approval checkpoints at various stages of product development help ensure product viability and profitability. For example, 20 in connection with the embodiment of the process illustrated in FIG. 2, the principal steps include one or more of the following: product design, product approval, product launch and product management.

25 (2) A sub-step data file 18 that includes an identification of the component sub-steps associated with each of the respective principal steps stored in principal step data file 16. These sub-steps provide rigor and guidance to the cross-functional product development team in carrying out the principal steps of the process.

(3) A principal step completion criteria data file 20 that includes an identification of pre-selected criteria needed to determine whether each respective principal step in the process of development and management of the financial services product has been appropriately completed.

5 (4) A document data file 22 that includes an identification of documents associated with each respective principal step in the process of development and management of the financial services product. Such documents can include, for example, product and market analyses, customer surveys, product specifications, pricing and financial results, pricing models, profitability assessments, sales forecasts and marketing/training materials. The documents can also include previous "examples" of relevant documents (e.g., best practices).

10 (5) A tools data file 24 that includes an identification of computer-aided tools associated with each respective principal step in the process of development and management of a financial services product. Such tools can include, for example, risk scorecard charts, time-to-profit analyses, market opportunity assessment tools and product approval review templates, to be discussed further below.

15 In light of the above, in connection with each principal step of the process are associated component sub-steps (stored in sub-step data file 18), completion criteria (stored in completion criteria data file 20), document information (stored in document data file 22) and tools (stored in tools data file 24). This aspect of the invention is illustrated in FIG. 3A which is a schematic block diagram of an exemplary principal step 16A with associated sub-steps 18A, completion criteria 20A, document information 22A and tools 24A.

20 In addition, in connection with each associated component sub-step illustrated in FIG. 3A, are analogous completion criteria (also stored in completion criteria data file 20), document information (also stored in document data file 22) and tools (also stored in tools data file 24). This aspect of the invention is illustrated in FIG. 3B which is a schematic block diagram of an exemplary sub-step 18A with associated completion criteria 20A, document information 22A and tools 24A.

25 In accordance with a further feature of the present invention, user interfaces 26A-26N are used by members of the cross-functional product development team to access, review and/or update the data contained in data files 16, 18, 20, 22 and 24 in connection with the development and management of a particular financial services

product. For example, the project manager (or any other member on the team) can use user input 27A to display on display 28A each of the principal steps associated with the product and stored in principal step data file 16 (e.g., "Product Design," "Product Approval," "Product Launch" and "Product Management"). In addition, 5 in connection with each of these steps, the project manager (as well as others) can access, review and/or update information associated with any of the sub-steps (stored in sub-step data file 18), completion criteria for the principal step (stored in completion criteria data file 20), document information related to the principal step (stored in document data file 22) and tools related to the principal step (stored in 10 tools data file 24), as illustrated in Fig. 3A.

Similarly, in connection with each of the component sub-steps such as component 15 sub-step 18A shown in FIG. 3A, the project manager (as well as others) can access, review and/or update information associated with any of the completion criteria for the sub-step (stored in completion criteria data file 20), document information related to the sub-step (stored in document data file 22) and tools related to the sub-step (stored in tools data file 24), as illustrated in Fig. 3B.

Thus, in accordance with the present invention, a system and method has been disclosed for developing and managing a financial services product. The system includes a central processing unit, a plurality of user interfaces for use by a cross-functional product development team, and a memory including data files for storing 20 particular information in connection with the method. The data files can be accessed, reviewed and/or updated by various members of the product development team. In accordance with the present invention, the central processing unit is programmed to incorporate a unique product development process including 25 one or more stages associated with designing, approving, launching and managing the product. Each of these stages, in turn, incorporates one or more of the following features: risk management processes, quality control processes, data-driven analytics and cross-functional team attributes. This unique integrated system and method provides a consistent, sustainable and repeatable process applicable to the 30 development and management of a wide variety of financial services products.

The above aspects of the present invention are further explained below in connection with a preferred embodiment of the invention. In particular, FIG. 4 is a block diagram showing a preferred embodiment of a process for developing and managing a financial services product such as an insurance product. Process 50 includes four stages 52, 62, 72 and 82 analogous to stages 32, 34, 36 and 38, respectively, discussed above in connection with FIG. 2. In particular, stage 52 is a design stage for designing the insurance product; stage 62 is an approval stage for obtaining proper approval to proceed with marketing the product; stage 72 is a product launch stage for introducing the product to market; and stage 82 is a managing stage for facilitating management of the product after it has been launched to market.

10 Product design stage 52 includes principal step Nos. 1 through 5 identified in FIG. 4 with reference numerals 53 through 57, respectively, and which comprise the following:

15 (No. 1) Why New Product?: This step assists in identifying market needs and determining potential opportunities for a new proposed product through, for example, guiding the collection of market information and documentation of impact, threat, trends and opportunities for a new product.

20 (No. 2) How/When Product?: This step assists in documenting potential new product features based on the information gathered through Step No. 1 and guides in the creation of a team for a further "feasibility" study along with the development of a timeline for the study.

25 (No. 3) Feasibility Analysis By Function: After the proposed product is defined through step Nos. 1 and 2, step No. 3 assists in evaluating the feasibility of the product from marketing, product management, systems, operations, finance and compliance perspectives (i.e., function by function). For example, this step guides in: defining a potential "go to market" strategy; validating product features with potential customers/career agents; providing an initial pricing of the product;

evaluating the new product launch and how the product would impact the systems requirements of the business.

(No. 4) Core Team Assessment Of Product: After the feasibility is analyzed function by function through step No. 3, step No. 4 assists in assessing the product function by function. For example, this step guides in: identifying topics requiring further information; obtaining management review and approval to continue design of the product; reaching consensus on rates and profitability; listing key issues and mitigants; drafting the contract; creating a product team (for product design/approval/implementation/launch); and defining a detailed timeline for product design, approval and launch.

(No. 5) Final Product Specification: After the feasibility of the product is analyzed through step No. 4 and the decision is made to proceed, the final product is designed through step No. 5. For example, this step assists in revising and documenting all product design information based on the final product design. It also guides the identification and documentation of risk management factors such as trigger points, sensitivity analysis, mitigants and exit strategies.

After the final product specification is completed through step No. 5, product design stage 52 is completed and process 50 moves on to a product approval stage 62. In particular, product approval stage 62 includes principal step No. 6 identified with reference numeral 63 and which comprises:

(No. 6) Internal/External Approval: This step assists in the preparation for and conduction of a product review meeting to internally review the product and obtaining either internal or external approval. Thereafter, external approval is sought by the appropriate regulatory boards. If approval is not obtained, process 50 returns to design stage 52 where further analysis and design of the proposed product is undertaken (if desired). If approval is obtained, process 50 proceeds to a product launch stage which includes principal step Nos. 7 through 9 identified with reference numerals 73 through 75 in FIG. 4, respectively, and which comprise:

(No.7) Final Rollout Plan: This step assists in the preparation of a detailed product rollout plan including, for example, defining a state filling schedule and a detailed implementation plan for all operations. In addition, it guides the development of a marketing prototype of the product and the reconciliation of the product specification with the designed (Step No. 5) and approved (Step No. 6) product.

(No. 8) Final Review Prior To Launch: After the detailed rollout plan is prepared in step No. 7, final review of the product is undertaken prior to launch. For example, this step assists in the preparation for final launch and, if applicable, the structuring a test launch.

(No. 9) Product Launch. This step assists in the launching of the product to its distribution channel(s).

After the product is launched to market, process 50 includes a product management stage 82 comprises principal step No. 10 identified with reference numeral 83 in FIG. 4:

(No. 10) Feedback Loop: This step assists in the analyst and implementation of product feedback. For example, it guides the measurement of and the analysis of the market response to the new product; review and validation of the financial strategy of the product; and the review of risk management trigger points on a quarterly basis (e.g., threshold versus actual).

In accordance with the present invention, each of the ten principal steps includes a set of associated component sub-steps. These sub-steps are chosen and programmed into CPU 12 in order to provide a consistent, sustainable and repeatable process applicable to a variety of products. For example, in the preferred embodiment of process 50 illustrated in FIG. 4, the sub-steps for each principal step may include those set forth in Table I below.

**TABLE I**

## 1) Principal Step No. 1: Why New Product?

- a. Identify, Document & Quantify the Market Need Driver(s)
  - i. Collect market data & industry trends
  - ii. Evaluate market share potential
  - iii. Assess Customer Needs/Distributor Needs feedback
  - 5 iv. Assess competitive threat
  - v. Document internal trends if new product is driven by experience
  - vi. Evaluate regulatory/environmental changes & trends
- b. Use and Evaluate Experience of Other Related Internal Business
- 10 Unites
- c. Assign Project Team Leader/Product Sponsor
- d. Determine The Scope Of Project Team Members
- e. Establish Project Reporting Standards & Meeting Schedule
- f. Generate the following supporting documentation:
- 15 i. Previous Product Analysis
- ii. Competitive Analysis/Benchmarking
- iii. Regulatory/ Environmental update
- iv. Market Analysis
- v. Market Share Analysis
- 20 vi. Customer/Agent/Distribution Survey

2) Principal Step No. 2: How/Why New Product?

a. Create Cross-Functional Project Team

i. Determine resource requirements & assign responsibilities including "product champion," Quality Resources, team members

5 ii. Define timeline

iii. Identify functional reporting

iv. Verify & validate procedures

b. Finalize Marketing Feasibility

i. Validate market need/critical customer needs and expectations with customers & distribution channel

10 ii. Define target market

iii. Assess potential competitive response

iv. Evaluate Potential Cross-Sell Opportunity

c. Brainstorm/Document Output on Potential Features

15 i. Define/prioritize/document potential features

ii. Assess business strategy and key milestones for a multi-generational product plan ("MGPP") (to be discussed further below)

d. Select product distribution channel(s)

e. Quantify expected sales volume

20 f. Identify key risks & mitigants/abatement/response plan (include preliminary compliance evaluation)

- g. Review Operational Gaps/Preliminary Infrastructure Assessment
- h. Verify & document implementation plan (state by state)
- i. Preliminary Reinsurance Needs/Availability Assessment
- j. Complete Internal Review for Commitment to Establish Formal
- 5 Product Development Effort
- k. Assign Product Manager
- l. Obtain approval by: President; SVP-Prod. Mgmt.; Product Mgr.; Channel Leader(s); Business Risk Manager; VP-Actuarial; Business Finance Manager; SVP-Sales & Marketing; SVP-Business Operations
- 10 m. Generate the following supporting documentation:
  - i. Prioritized List of Product Features
  - ii. Distributor, Customer Survey Analysis
  - iii. Customer Focus Group Results
  - iv. Preliminary Infrastructure Assessment
- 15 v. Competitive Analysis/Benchmarking
- vi. Preliminary Pricing and Financial Results (incl. Sales assumptions)
- vii. Initial Product Specifications

3) Principal Step No. 3: Feasibility Analysis by Function.

- 20 a. Marketing Strategy
  - i. Define and evaluate "Go to Market" and Distribution strategy

- ii. Define and evaluate cross-sell strategy (if applicable)
- iii. Validate product features and verify cross-sell feasibility with customers, channels, and Product/Sales/Marketing Managers

b. Regulatory Feasibility

5 i. Outline legal/compliance requirements (by state)

c. Refine Sales Forecast

- i. Determine commitments by channel
- d. Pricing, Profitability, & Sensitivity Assessment

  - i. Define assumptions

10 ii. Calculate premium & Net Income ("NI")/Return on Investment ("ROI")/Return on Equity ("ROE")

- iii. Refine pricing model and Time to Profit ("TTP") Scorecard
- iv. Perform and document stress testing on NI/ROI/ROE
- v. Develop performance measures

15 vi. Perform competitive analysis (e.g., age/benefits)

vii. Verify competitiveness of premium

viii. Evaluate reinsurance bidding

e. Operational/ Servicing Feasibility

- i. Evaluate impact of new product launch and servicing

- ii. Document and quantify requirements including expertise/resources
- f. **Systems Feasibility**
  - i. Assess preliminary systems specifications
- 5 ii. Perform functionality & cost/timing review of systems changes
- g. **Investment Strategy/Analysis**
  - i. Preliminary cost of capital projections or capital adequacy (including statutory results)
- 10 h. **Transition Strategy (if replacing existing product)**
  - i. **Incentive (Commission) Strategy**
  - j. **Rating Agency Impact**
  - k. **Initial Draft Filings**
  - l. **Capital Markets Assessment: Evaluate potential fit for securitization, risk reduction, yield enhancement and general derivative applications**
- 15 m. **Generate the following supporting documentation:**
  - i. **Systems Review**
  - ii. **Regulatory Assessment (legal issues, state filing requirements)**
  - iii. **Executive Overview**
- 20 iv. **Infrastructure Analysis**
- v. **Investment Strategy**

- vi. Market Feasibility (customer/agent feedback, market strategy)
- vii. Pricing Model
- viii. Profitability Assessment (sales forecast, profit test results, competitive rate/benefit analysis, sensitivity analysis, pricing analysis, trend analysis)
- 5 ix. Initial Product Specification Update

4) Principal Step No. 4: Core Team Assessment Of Product.

- a. Reach Go/No-Go Consensus and Document Decisions:
  - i. Rate assumptions, targeted spreads
  - 10 ii. Financial projections (sales volume by channel, annual net income)
  - iii. Rate consistency/ verification
  - iv. Transition Plan (if replacing existing product)
  - v. Operational support requirements
- 15 vi. Cross-sell strategy (if applicable)
- vii. Reinsurance needs and availability

b. Define Detailed Implementation Plan/Launch Timeline

- i. Revalidate against MGPP fit
- ii. Specify requirements/resources/timeline by function, e.g.,  
20 prepare systems and servicing requirements specifications
- iii. Develop cross-sell execution plan (if applicable)

- c. Review Key Risks and Mitigants; Perform Risk Assessment including Cost & Schedule; Rank Risk Level
- d. Draft Preliminary Contract: Assess timeline, draft preliminary version
- 5 e. Draft prototype marketing materials
- f. Preliminary Illustration Software
- g. Draft Preliminary Product Approval Review Document
- h. Conduct Preliminary Discussion between Business Functional Leaders Formal Internal Review & Approval to Continue Design of New Product
- 10 i. Revalidate Project Scope
- j. Identify Topics Requiring Further Information
- k. Obtain approval by: President; SVP-Prod. Mgmt; Product Mgr. Business Risk Manager; VP-Actuarial; SVP-Sales & Marketing; Business Finance Manager; SVP-Business Operations; VP-Information Services; Director-Contract
- 15 Development
- l. Generate the following supporting documentation:
  - i. Draft of Product Approval Review Document
  - ii. Revised and Validated Sales Forecast
  - iii. Implementation Plan/Launch Timeline
- 20 iv. Key Risks/Mitigants

5) Principal Step No. 5: Final Product Specification.

- a. Finalize Product Specifications (as agreed to in Principal Step No. 4 Internal Approval)
- b. Finalize Standard Rates/Values
- c. Reconfirm Market feasibility With Customers & Channels (Critical customer needs and expectations, Product Fit) & Finalize Marketing Plan
- 5 d.. Finalize Cross-Sell Implementation Plan (if applicable)
- e. Finalize Reinsurance/Capital Markets Strategy, Verify Availability and Applicability
- f. Reconfirm Financial projections
- 10 g. Finalize Capital Usage/Cost of Capital Evaluation
- h. Develop Profit Report: Pricing Assumptions, Profit Test Results, etc.
- i. Finalize Systems Specifications
- j. Finalize Investment Plan
- k. Finalize Compliance Plan
- 15 l. Finalize Prospectus
- m. Prepare Pricing Actuarial Memorandum
- n. Document Risk Management Drivers/Triggers/Mitigants
  - i. Define measurements & process maps, include environmental, lagging & leading indicators
- 20 o. Draft Final Contract & Prepare for Filing

- i. Define State Filing Schedule & State-Specific Filing Information
- ii. Prepare prototype filing package
- p. File to States

5 i. Prioritize longest lead time states, excluding those with re-filing restrictions

- ii. Respond to state requests
- iii. Sample NAIC (National Association of Insurance Commissioners) Disclosure (Illustration), Periodic Statement and Data Page

10 Information

- q. Prospectus Filings - SEC (if applicable)
- r. Notify Rating Agencies (if applicable)
- s. Generate the following supporting documentation:
  - i. Draft Risk Management Report

15 ii. Final Product Specifications

- iii. Prospectus
- iv. Final Contract/Rates
- v. Performance projections
- vi. Pricing Actuarial Memorandum

20 vii. State Filing Applications/ Memos/ Approval Forms

6) Principal Step No. 6: Internal/External Approval.

- a. Prepare "Product File" Package for Product Review
  - i. Product overview
  - ii. Marketing strategy
  - iii. Financials: Generally Accepted Accounting Principles ("GAAP"), Statutory
  - iv. Sales Forecast
  - v. Cost of Capital Evaluation
  - vi. MGPP fit
  - vii. Execution Plan by Channel
  - 10 viii. Infrastructure Analysis
  - ix. Investment Strategy
  - x. Approval of Credit Authority by appropriate person
  - xi. Risk Management (Risk Drivers/Triggers/Mitigants)
  - xii. Exit Strategy (if appropriate)
- 15 xiii. Sensitivity Analysis
- xiv. Cross-Sell Strategy (if applicable)
- xv. Reinsurance Assessment
- xvi. Transition Plan
- xvii. Recommendation

- xviii. **Business & Customer Communication Plan**
- xix. **Post-Launch Feedback Loop and Timeline**
- xx. **Data Collection & Reporting Plan**
- b. **Complete Internal Review and Approval**
- 5 c. **Conduct Product Review Meeting with Business Leadership for "Go/No Go" Decision**
  - i. **If Test Launch, Agree on Timeline for Final Review**
  - d. **Document Product Review Meeting Outcome**
  - e. **Obtain Internal Approval By:**
- 10 i. **Required: President; SVP-Risk Management; SVP-Chief Actuary; CFO; SVP-Product Management; Business Risk Manager.**
  - ii. **As Appropriate: SVP-Distribution Channel; Business Finance Manager; SVP-Investments; Valuation Actuary; SVP-Business Operations; SVP-Information Systems; SVP-HR.**
- 15 f. **Obtain Statutory Board Approval**
- g. **Generate the following supporting documentation:**
  - i. **Product Approval Review Document**
  - ii. **Final Risk Management Report**
  - iii. **Final Sales Forecast**
- 20 iv. **MGPP Document**
- v. **Documented Product Review Meeting Outcome**

7) Principal Step No. 7: Final Rollout Plan.

a. Activate Implementation Plan (developed in Principal Step No. 4):  
e.g., Design/Implement Systems Changes

b. Finalize Reinsurance/Capital Markets Arrangements

5 c. Communicate Product Specs for Implementation Across Functional Areas

d. Implement Transition Plan if applicable (developed at Principal Step No. 3)

e. Prepare Distribution Channel (or multiple channels if cross-sell);

10 Communicate Rollout Plan

i. Incentive plan

ii. Contracts/selling agreements

iii. Licensing/appointments

iv. Underwriting guidelines

15 v. Transition and conversion guidelines

vi. New business processes: e.g., Which application to use, where to send

vii. Product Introduction/Launch package: Final training and marketing material prototypes

20 viii. If Test Launch, Develop/conduct preliminary training:  
Internal (operational) and Distribution Channel

f. Notify State Regulators

- g. File to Remaining States
- i. File to states not previously filed due to re-filing restrictions
- ii. Respond to State requests
- h. Compare Prospectus to Brochure

5      i. Generate the following supporting documentation:

- i. Finalized Marketing Materials
- ii. State Approval Forms
- iii. Test Launch Results
- iv. System Design Documents

10     8) Principal Step No. 8: Final Review Prior To Launch.

- a. Prepare for Final Launch
  - i. Confirm that Specifications of Product to be Launched Reconcile with Product as Approved in Principal Step No. 6
  - ii. Confirm Advertising Strategy aligned with Brand Name

15     Strategy

- iii. Finalize Training and Marketing Material & Review for Compliance
- iv. Verify State Approvals Prior to Launch
- v. Verify Risk Management Trigger Monitoring System and

20     Process Controls are in place

- vi. Finalize GAAP & Statutory Accounting, including Tax Reserves
- vii. Ensure System Readiness for Contract Creation
- viii. Review & Finalize Processing & Servicing Capabilities
- 5 ix. Finalize Illustration Software
- x. Test Required System Changes and Model Systems, Structure and Capacity

b. Structure Test Launch (if applicable)

- i. Develop Success Criteria for test

10 ii. File to Selected States for Test Launch

- iii. Develop Launch Kit of Marketing Material
- iv. Conduct Test Launch

v. Analyze Results (may need to go back to Principal Step No. 5)

c. Obtain Approval By: President; SVP, Prod. Mgmt; Product Mgr.;  
15 Channel Leader(s); Business Risk Manager; VP-Actuarial; SVP-Sales & Marketing; Business Finance Finance; SVP-Business Operations; VP-Information Services; Director-Compliance.

d. Generate the following supporting documents:

- i. Finalized Marketing Materials

20 ii. State Approval Forms

- iii. Test Launch Results

- iv. **System Design Documents**
- 9) **Principal Step No. 9: Product Launch.**
- a. **Finalize Preparation of Distribution Channel (or multiple channels if cross-sell)**
- 5 i. **Conduct Final Training & Distribute Final Marketing Materials to Distribution Channel**
- ii. **Distribute Product Release Memo & Announcement to Distribution Network**
- iii. **Transition Product (if necessary)**
- 10 (1) **Review Persistency to Determine Market Trends**
- (2) **Implement Transition Plan**
- iv. **Execute Product Launch**
- v. **Cede or Assume Reinsurance**
- vi. **Execute Capital Markets Strategy**
- 15 b. **Generate the following supporting documentation:**
- i. **Product Release Memo**
- ii. **Announcement to Distribution Network**
- 10) **Principal Step No. 10: Feedback Loop.**
- a. **Analyze Market Response**
- 20 i. **Conduct post production survey with distribution channel(s)/customers**

throughout. In addition, throughout the product development process, decisions are made along the way based on an analytical analysis of data gathered by the process. This is to be contrasted with subjective decision making based on an anecdotal approach as in the prior art or where decisions are made by a top producer's subjective needs and perceptions. For example, in the preferred embodiment of the invention, the product is developed in a cross-functional environment where many aspects of the business are taken into consideration and where departments and/or individuals with special skills are involved with the project to develop the proposed product. This approach is facilitated by the system shown in FIG. 1 where a plurality of user interfaces 26A through 26N can be distributed throughout the business and to such departments and/or individuals. In addition, it is facilitated by programming CPU 12 so that such departments and/or individuals are integrated into the development process. For example, each such department and/or individual can access, review and/or update the data contained in memory 14. Moreover, as shown in Table I above, principal steps No. 2 (sub-step l), 4 (sub-step k), 6 (sub-step e), 8 (sub-step c) and 10 (sub-step f) each require formal approval by pre-determined members of the product development team and others in the business. Such an approach facilitates risk management and quality control.

By carrying out the process illustrated in FIG. 4 on the computerized system of FIG. 1, a cross-functional product development team can improve the quality and projected profitability of a proposed new insurance product. As discussed above, computerized system 10 of FIG. 1 allows members of the cross-functional development team to access, review and/or update the data contained in data files 16, 18, 20, 22 and 24 of memory 14. For example, FIG. 5 is a main page 100 of a user computer display in connection with the preferred embodiment of the present invention illustrated in FIG. 4 discussed above. In accordance with this aspect of the present invention, central processing unit 12 of system 10 is programmed to display on user displays 28A-28N statements of the principal steps stored in principal step data file 16 and to permit a user to select, through user input devices 27A-27N, one of the principal steps.

Referring to FIG. 5, page 100 includes a tool bar 102 for launching applications such as tools and templates, to be discussed further below. Page 100 also includes a bottom frame 104 that lists each of the principal step Nos. 1-10 and provides links to additional detail, also to be discussed below.

5 As illustrated in FIG. 5, tool bar 102 includes icons labeled as follows: Project Plan 105, Library 106, Approval Matrix 107, Glossary 108, Product Pitch (Approval Review) Template 109, Thermometer Chart 110, Risk Scorecard 111 and Time-To-Profit Scorecard 112. In accordance with the present invention, these icons launch applications associated with the product under development to stream-line product 10 development and provide a standardized process.

In particular, when invoked, Project Plan icon 105 launches an application such as Microsoft Project Plan™ which provides a detailed summary of the status of each principal step of the process and their associated sub-steps including: % of the step or sub-step that is completed, duration (e.g., 5 days) and start date, along with a 15 week by week graphical summary of its status (e.g., is the step or sub-step: "not started," "in progress," "finished," a "milestone," etc.). Such an icon allows members of the product development team, along with management, to determine quite efficiently the status of the development of a proposed new product including tracking of whether or not certain steps are complete (or incomplete) or ahead of 20 schedule (or behind).

Library icon 106 links the user to another page that provides a list of examples of product approval review documents (used, for example, in connection with principal step No. 6 for internal approval) with hypertext that launches an application such as Microsoft PowerPoint™ that contains the slides used for the product approval 25 review. This icon is useful when drafting a new product approval review because it provides easy access to a full library of prior product approval review documents for reference.

Approval matrix icon 107 provides a means for launching an application that contains a listing of the approvals necessary for each respective principal step of the

process. For example, for each principal step Nos. 2 (sub-step l), 4 (sub-step k), 6 (sub-step e), 8 (sub-step c) and 10 (sub-step f), where formal approval is required, activation of this icon provides information on whether any the following need to approve the particular step at issue: Business Mgr. Finance, Business Risk Manager, 5 Channel Leaders, CEO, CFO, Director-Administration, Director-Compliance, Director-Contract Development, Director-Marketing, Director-Underwriting, President, Product Manager, SVP-Business Operations, SVP-Chief Actuary, SVP-Distribution Channel, SVP-Human Resources, SVP-Investments, SVP-Product Management, SVP-Risk Mgmt., SVP-Sales & Marketing, VP & Counsel, VP-Actuary, 10 VP-Information Services, VP-Sales and Valuation Actuary.

Glossary icon 108 provides a means for launching an application that provides a glossary for important terms and phrases used in connection with the computerized system 10 for developing and managing a financial services product so that those users not familiar with certain terms and phrases have easy, on-line access to a 15 glossary that defines and explains them.

Product Pitch (Approval Review) Template icon 109 provides a means for launching a template that allows a user to begin to draft the "product approval review" document referred to in connection with principal step Nos. 4 and 6. This document is used during the product review meeting in connection with Principal Step No. 6 20 for obtaining internal approval of the product.

Thermometer chart icon 110 provides a means for launching an application that identifies the sub-steps of each principal step in matrix form (i.e., column headings are labeled with a principal step number and entries down the column are the associated sub-steps) and color-codes each entry with the following scheme: (1) 25 Green: sub-step is completed with no identifiable risks; (2) Yellow: sub-step is either incomplete or completed but has only low risk associated therewith; and (3) Red: sub-step is either incomplete or completed but has elevated risk associated therewith. Such a chart can be used to quickly assess the status of a product development project and determine (through a visual color-coding scheme) whether

certain tasks have either elevated (red), low (yellow) or no (green) identifiable risks associated with them.

Risk scorecard icon 111 provides a means for launching an application that summarizes certain identified risks (e.g., profit margin, 1st year premiums, variable expense ratio, loss ratio, cash flow, number of claims, claim type, customer & agent satisfaction, commission, policy lapse rate, etc.) in connection with a particular product. For example, in connection with each such risk, the scorecard tabulates the risk "trigger" value, the "target" value, the "actual" value and its "variance" for such risk along with a brief summary of any corrective action that can be taken if the trigger value is achieved.

Time-to-profit scorecard 112 provides a means for launching an application that summarizes profit information associated with the particular product and provides an indication of when that product will become profitable after launch. In particular, this scorecard can provide: (1) a graphical plot of income/expense versus time; (2) projections in connection with the plot; (3) a summary of the plot and (4) a list of needs/recommendations in connection with the time-to-profit issue.

In accordance with a preferred embodiment of the present invention, a user of system 10 may access from page 100 illustrated in FIG. 5 any of the tools or templates identified in tool bar 102 or, in the alternative, link to additional information associated with any of the principal step No. 1 through 10 identified in bottom frame 104 of page 100. For example, a user can link to additional information associated with principal step No. 3 by simply clicking on this step in bottom frame 104. Such additional information is shown in FIG. 6 which is a page 120 of a user computer display in connection with this step in accordance with the preferred embodiment of the present invention illustrated in FIG. 4. In particular, page 120 includes a tool bar 122 for launching additional applications such as tools and templates associated specifically with principal step No. 3. Page 120 also includes a bottom frame 124 that lists each of the sub-steps of principal step No. 3 and provides a link to additional detail, information and descriptions associated therewith.

In accordance with this aspect of the present invention, central processing unit 12 of system 10 is programmed to be responsive to a user's selection of a principal step for: accessing the component sub-step data file 18 (in FIG. 1); retrieving from the data file statements of the sub-steps associated with the selected principal step and; 5 displaying on user displays 28A-28N the retrieved statements of the principal step and associated sub-steps. Processing unit 12 is also programmed to be responsive to a user's selection of a principal step or an associated sub-step for: accessing the tools data file 24 (FIG. 1); retrieving information from the data file relating to the tools associated with the selected step or sub-step; and displaying on user displays 28A- 10 28N icons for those tools.

Referring back to FIG. 6, tool bar 122 includes icons labeled as follows: Project Plan 125, Library 126, Tools & Deliverables 127, Roles 128, Approvals Required 129, Glossary 130, Thermometer Chart 131, Risk Scorecard 132, Time-To-Profit Scorecard 133, Tool Instructions 134 and Process Maps 135. In accordance with the present 15 invention, these icons launch applications that are useful in connection with principal step No. 3 of the product under development.

In particular, Project Plan icon 125, Library icon 126, Glossary icon 130, Thermometer Chart icon 131, Risk Scorecard icon 132 and Time-To-Profit Scorecard icon 133 launch applications similar to those discussed above in connection with page 100 of 20 FIG. 5. In addition, tool bar 122 includes the following icons:

Roles icon 128 provides a means to launch an application that identifies the various members on the product development team and their role in the process.

Approvals Required icon 129 provides a means to launch an application that identifies the people in the business who need to review and approve principal step 25 No. 3 before product development formally proceeds to the next step of the process.

Tool Instructions icon 134 provides a means to launch an application that provides a detailed set of instructions on how to use the various tools associated with principal step No. 3.

Process Maps icon 135 provides a means to launch an application that graphically maps in flowchart form all activities in connection with principal step No. 3 and how they interrelate.

Tools & Deliverables icon 127 provides a means to link the user to another page that

5 provides descriptions of additional tools and deliverables (i.e., supporting documentation information) associated particularly with principal step No. 3. For example, sub-step (m) of principal step No. 3 listed in Table I above requires the generation of nine particular types of documents to support and complete the step (namely, a Systems Review, a Regulatory Assessment, an Executive Overview, an

10 Infrastructure Analysis, an Investment Strategy, a Market Feasibility report, a Pricing Model, a Profitability Assessment and an Initial Product Specification Update). Accordingly, the display linked to by icon 127 includes an entry for each of these documents, and clicking on the hypertext for each entry launches an application that provides additional detail on the user's display relating thereto. Similarly, clicking

15 on the Tools & Deliverables icon in connection with other principal steps of the process causes display of a list of documents tailored to the particular step at issue (i.e., for principal step Nos. 1, 2, 4, 5, 6, 7, 8, 9 and 10, the documents listed by clicking on the Tools & Deliverables icon include those identified in sub-steps f, m, l, s, g, i, d, b and g, respectively, of Table I above).

20 In addition, the list linked to by the Tools & Deliverables icon on pages such as 120 in FIG. 6 also includes a list of additional tools useful in connection with carrying out the sub-steps associated with principal step at issue. For example, the following types of tools may be useful in connection with certain sub-steps of the ten principal step Nos. 1-10:

25 (1) A Marketing Points Log tool that captures information can be useful in the marketing of the new product. This log provides a correlation between relevant points and issues that may arise in meetings, conversations, market studies, focus groups, etc., on the one hand, and implications these points and issues have for launching, marketing and managing the product, on the other hand. Such a correlation provides, in effect, a "feed-forward" loop in the new product

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development process. Accordingly, such a tool would be most useful in connection with principal step Nos. 2 and 3 of the preferred embodiment illustrated in FIG. 4 where marketing feasibility and strategy are initially determined.

5 (2) A Product Prioritization tool that can be used to provide a priority listing of which product development projects should be completed first. For example, this type of tool can be implemented in a matrix format where a user: (i) lists the key product development criteria across the top of the matrix, (ii) rates the overall importance of each design variable on a 1 - to - 10 scale (where 1=low and 10=high), (iii) lists potential product development and enhancement projects down the left-side column, and (iv) rates each product's relative weight to each design criteria on a 1-to-10 scale (where 1=low and 10=high). When complete, the matrix should yield a priority listing of which product development projects should be completed first. Accordingly, such a tool would be most useful in connection with principal step 10 No.1 of the preferred embodiment illustrated in FIG. 4 where market needs are identified and potential opportunities are determined (sub-step (a) in Table I above).

15 (3) A Distribution Matrix tool that can be used to help highlight the likelihood of success in distributing a product and assist in early discussions of determining marketing strategy. In particular, this matrix can use a scale of 1 to 3 (where 1=low/not optimal and 3=high/optimal). Key product team members score each 20 proposed channel of distribution (e.g., Payroll Specialist and Broker-Agent). A weighted framework can quantify the critical considerations in choosing an optimal channel for the product (e.g., factors such as: (i) is it currently sold in channel by competition, (ii) experience/knowledge with product, (iii) represented in target market, (iv) ease of implementation/administration, (v) receptivity/eagerness for product, (vi) fit with existing portfolio, (vii) customer receptivity to channel rep, (ix) promotional capability and (x) relative income expected/success). Accordingly, such 25 a tool would be most useful in connection with principal step No. 2 of the preferred embodiment illustrated in FIG. 4 where distribution channels are selected (sub-step (d) in Table I above).

(4) A Risk Exposure Tree tool that can be used to identify risks embedded in products and processes. FIG. 7 shows an illustrative embodiment of a risk exposure tree and can be generated as follows. Step (1): The item under analysis is placed at the top of the tree (i.e., "New Product" identified in box 150 of FIG. 7). Step (2): In 5 the next row 151, the sub-categories are laid out that make up the level above (i.e., the "functional" areas: finance 152, marketing 153, underwriting 154, IT 155, legal 156, administration 157, actuary 158 and contracts 159), keeping risk identification in mind as the ultimate goal. Step (3): Step (2) is iteratively repeated for each sub-category until a reasonable categorization of risk has been achieved (see, e.g., 10 premium 160, price product 162, compensation 163 under finance 152). Step (4): Key risks associated with each risk category are then identified. Accordingly, this tool would be most useful in connection with principal step Nos. 2, 3 and 4 of the preferred embodiment illustrated in FIG. 4 where key risks and mitigants are identified and assessed.

15 (5) A Failure Mode And Effects Analysis ("FMEA") tool that can be used to measure and prioritize risks based on an analysis of the severity of potential impact, the frequency of occurrence of the cause and the relative delectability. This tool can build on results from a risk exposure tree. FIG. 8 shows an illustrative embodiment 20 of such an analysis tool and is generated as follows. Step (1): Major risk categories are aligned in far-left column 171 under the heading PIE (for Process for Introduction and Enhancement), a name used by the assignee of the present invention in connection with the invention hereof. Each step that follows occupies an additional 25 column of FIG. 8. Step (2): Key input factors (i.e., final risk sub-categories) are then grouped into column 172. Step (3): Potential failure modes (risks) are then identified in column 173. Step (4): Potential effects of each failure mode are then determined in column 174. Step (5): For each effect, severity ("SEV") is rated from 1 (low) to 10 30 (high) in column 174A. Step (6): Potential causes of each failure mode are then determined in column 175. Step (7): The frequency or probability of occurrence ("OCC") for each cause is rated from 1 to 10 in column 175A. Step (8): The necessary control or mitigation strategies to monitor and prevent each failure mode are then determined in column 176. Step (9): The delectability ("DET") of information needed

to implement each control is rated from 1 (strong) to 10 (weak) in column 176A. Step (10): The risk priority number ("RPN") is then calculated in column 177 according to the formula:  $RPN = SEV \cdot OCC \cdot DET$ . As illustrated in connection with FIG. 8, such numbers range from 30 (for "pricing" risk) to 648 (for "contracts" risk). This tool would be most useful in connection with principal step Nos. 3 and 4 of the preferred embodiment illustrated in FIG. 4 where key risks and mitigants are identified and assessed.

(6) An Impact On Systems & Structures tool that can be used to quantify the impact of the proposed product on various aspects of the business. FIG. 9 shows an illustrative embodiment of such a tool (in template form). As illustrated, the horizontal axis 181 identifies the functional components of the business, whereas the vertical axis 182 graphs the impact (i.e., low, medium and high) of the proposed product on such components. Accordingly, this tool would be most useful in connection with principal step No. 1 of the preferred embodiment illustrated in FIG. 4 where market needs are identified and potential opportunities are determined in connection with a proposed new product.

(7) A Decision Tree tool that can provide a framework to synthesize critical information and measure progress in the product development process. FIG. 10 shows an illustrative embodiment of a Decision Tree 200. In particular, critical information in connection with the development of a particular product is initially broken down into four categories in the tree: (i) product overview 210, (ii) marketing 220, (iii) operations 230 and (iv) financials 240. These categories are then broken down again into further sub-categories (for example, sub-categories 210A, 210B, 210C, 210D, 210E in connection with the "Product Overview" category 210) to help in providing a framework for the product development team. Under each of these sub-categories, an additional list of pre-determined types of information is identified which is critical to the development process. In accordance with the present invention, a "check mark" is placed next to that information which has so far been collected by the development team. Accordingly, this tool would be most useful in connection with principal step Nos. 2 and 3 of the preferred embodiment illustrated

in FIG. 4 where new product features are identified and feasibility is studied based on data driven analytics.

5 (8) A Product Pitch (Approval Review) Template tool that can be used to provide a standard format for the information collected and analyzed in connection with a product approval review that is the subject matter of a product review meeting. Accordingly, this tool is useful in connection with each of the principal step Nos. 1 through 6 of the preferred embodiment of the invention illustrated in FIG. 4.

10 (9) A Cost Benefit Analysis tool that can be used to provide a standard format for a cost benefit analysis associated with the development of a proposed product. Accordingly, this tool would be most useful in connection with principal step Nos. 2 and 3 of the preferred embodiment of the invention illustrated in FIG. 4 where new product features are identified and feasibility is studied based on data driven analytics.

15 (10) A Market Identification tool that can be used to explore the market to identify all profitable opportunities. Such a tool can include an analysis in connection with the following three steps: (i) Define the market by identifying profitable opportunities and determining target segments. (ii) Maximize potential by understanding the value created by the product so as to cover the existing market and beat the competition. (iii) Grow and expand relationships with the right customers to capture 20 full value of the product. Accordingly, this tool would be most useful in connection with principal step No. 1 of the preferred embodiment of the invention illustrated in FIG. 4 where market needs are identified and potential opportunities are determined.

25 (11) A Market Opportunity Assessment tool that can be used to assess opportunity in the market by focussing on customer needs and any mis-alignment between those needs and existing products on the market. Accordingly, this tool would be most useful in connection with principal step Nos. 1 and 2 of the preferred embodiment of the invention illustrated in FIG. 4 where market opportunities are analyzed.

(12) A Gap Analysis tool that can be used to itemize in chart form for each principal step of the process the so-called "gap" between the particular information that has already been gathered in connection with the step (i.e., "what we have?") and what is needed to complete the step (i.e., "what we need"?). The chart can also include a 5 column for associated "action/timeframe/who?" Accordingly, this tool would be most useful in connection with principal step Nos. 1 and 2 of the preferred embodiment illustrated in FIG. 4 which are data collection intensive.

(13) A Multi-Generational Product Planning ("MGPP" tool that can be used to apply foresight to product introduction and enhancement. During product planning 10 channel managers need to focus on both the current initiative and future generations of the initiative. This type of tool can help a channel manager focus on what is already known to be planning or investigating for future enhancements. Considering the next generation of a product adds a new dimension to channel management. Accordingly, channel managers need to anticipate industry trends 15 and be cognizant of opportunities to plan for a product in the future. By integrating this tool into the product development process, the potential profitability of a proposed new product can be enhanced. Accordingly, this tool would be most useful in connection with principal step No. 6 of the preferred embodiment of the invention illustrated in FIG. 4 where a multi-generational product planning 20 document is generated (see sub-steps (a)(vi) and (g)(iv) of principal step No. 6 in Table I).

(14) A Process Risk Control System tool that provides a graphical summary of the product development process including all ten principal steps and identifies thereon 25 the key risks, indicators, mitigants and the persons responsible for monitoring the indicators. FIGS. 11A-E show an illustrative embodiment of a template used for a process risk control system in connection with the preferred embodiment of the process illustrated in FIG. 4. As shown in FIGS. 11A-E, twelve "key risks" labeled (1) through (12) including associated risk "indicators" and "mitigants" are identified 30 therein in a table at the bottom of each figure and along side a graphical summary of the process. Accordingly, this tool would be most useful in connection with

principal step No. 4 where key risks and mitigants are reviewed in connection with a risk assessment (see sub-steps (c) and (l)(iv) of principal step No. 4 in Table I above)

In accordance with the present invention, the tools identified above are stored in tool data file 24 illustrated in FIG. 1 and are used throughout the product development process to streamline and standardize the process. Such tools, along with the documents that they generate, are accessible to all members of the product development team by simply clicking on their respective icons on the user displays associated with user interfaces 26A-N of FIG. 1.

In accordance with another aspect of the present invention, there is provided an improved market assessment method for providing early identification of high-potential opportunities (e.g., products, services, distribution channels, customer groups) in connection with financial services products. The improved method is preferably incorporated into principal step Nos. 1 (i.e., Why New Product) and 2 (i.e., How/When New Product) discussed above in connection with product design stage 52 of FIG. 4. In particular, FIG. 12 is a diagram showing a preferred embodiment of the improved method for assessing the market in accordance with this aspect of the present invention. Specifically, market assessment method 300 includes the following sequential steps: step 302 comprising the collection of secondary market data; step 304 comprising conducting primary research; step 306 comprising creating a high level solution concept and strategy; and step 308 comprising the validation of identified opportunities. As shown in FIG. 12, arrow 310 represents the input (to be discussed below) to step 302 and arrow 312 represents the output of step 308 to be fed to the remaining portion of the product design stage (e.g., principal step No. 3 in FIG. 4) shown in phantom. Arrow 314 represents that the output of collect secondary data step 302 is also fed as input into step 306 (along with the output of conduct primary research step 304). In addition, feedback loop 316 represents that information from the remaining portion of the product design stage (shown in phantom) is fed back and used as additional input to steps 302, 304, 306 and 308. As will become evident below, steps 302 and 304 correspond substantially to principal step No. 1 while steps 306 and 308 correspond substantially to principal step No. 2.

With reference to FIG. 12, collect secondary market data step 302 takes as input certain predetermined strategy hypotheses, market hypotheses and core process data (along with feedback from other steps). The hypotheses are selected based on the business' strategy and desired profitability. In light of this information, secondary market data (i.e., non-proprietary research data which is available to everyone that is relatively quick to gather, does not require market research expertise, and is generally free or inexpensive) is collected with the purpose of identifying potential customers, market segments, channels, issues critical to quality and solution hypotheses. After the secondary market data is collected at step 302, the process 5 proceeds to step 304 where primary research (i.e., proprietary research which is designed with a specific business purpose objective in mind and is designed by an external market research supplier in conjunction with the business' market research 10 leader) is conducted with the purpose of confirming, refining and prioritizing customers, markets, issues critical to quality and/or hypotheses. After primary research is conducted at step 304, the process proceeds to step 306 where high level 15 solution concepts (i.e., descriptions of products and/or services that can be evaluated by a customer) and strategy are created with the purpose of creating a tangible, high level solution concept, assessing the general feasibility for the business and developing a recommended strategy. After this step, the process proceeds to step 20 308 where opportunities are examined with the purpose of validating, refining and prioritizing the tangible solution concept created in connection with step 307.

In accordance with this aspect of the present invention, each of the four steps 302, 304, 306 and 308 discussed above includes a set of associated sub-steps. These sub- 25 steps are chosen in order to provide a consistent, sustainable and repeatable process for providing strategic direction and early identification of high-potential opportunities. For example, in the preferred embodiment of process 300 illustrated in FIG. 12, the sub-steps of each step may include those set forth in Table II below.

TABLE II

1) Step 302: Collect Secondary Market Data (Input: market hypothesis, research 30 objectives, concept, research results, screening process, business strategy, current

product enhancement hypothesis, customer expectations; Output: actionable data, report of findings, conclusions and recommendations including solution opportunities, preliminary issues critical to quality ["CTQs"] and potential customers; business leader approval to proceed)

- 5      a.      Define objectives and required data elements
  - i.      Identify business leader/ sponsor and cross functional resources
  - ii.     Define hypothesis/objectives (current in market and future)
  - iii.    Identify data required to fulfill objectives (size, brand, demographics, psychographics, competitors, CTQs)
- 10     iv.     Industry environment, trends
- v.     Consumer/Target Market
- vi.    Business Customer Retention
- vii.   Business Situation Analysis
- 15     viii.   Regulatory environment, trends
- ix.    Business best practices (partner, market & competitive information, tools)
- x.    Voice of customer etc. feedback
- b.    Develop secondary data collection plan
  - 20    i.    Clarify goals of data collection
  - ii.   Develop operational definitions and procedures
  - iii.   Identify existing/ secondary data sources

iv. Decide on who will collect data by when

v. Plan for data consistency and stability

c. Collect secondary data

5 i. Collect existing/ secondary segment data

ii. Store data in central repository

iii. Assess/present secondary research

d. Analyze secondary data

i. Manipulate data to yield conclusions

10 ii. Determine customer needs and CTQs

iii. Identify opportunities (brainstorm) and Business strategic fit (perform situation analysis)

iv. Prioritize opportunities

v. Obtain business leader and sponsor approval

15 vi. Document evaluation, recommendation and next steps

2) Step 304: Conduct Primary Research (Input: output of step 302, Research Objectives, Research Methodology; Output: Actionable Data, Report of Findings, Conclusions and Recommendations including: CTQs, Segment and product opportunities; Business leader approval to proceed)

20 a. Define and identify primary research requirements

i. Develop Potential Hypothesis

- ii. Identify primary data needs
- iii. Identify Primary Research Supplier

b. Develop primary data collection plan

- i. Design primary data collection plan

5 ii. Brief the Supplier/Vendor

- iii. Design the Research
- iv. Recommend Supplier/ Vendor plan

c. Conduct primary research

- i. Collect primary data

10 ii. Store in central repository

- iii. Assess Primary Research

d. Analyze primary data

- i. Manipulate data to yield conclusions
- ii. Clarify customer need and issues critical to quality

15 iii. Define target market. Assess competition and potential response in market (benchmark features/benefits)

- iv. Identify/refine opportunities (brainstorm) and Business strategic fit
- v. Estimate market share potential

- vi. Review opportunity(s) with Compliance/Legal to identify preliminary issues, risks with the marketplace/ segment
- vii. Prioritize opportunities
- viii. Obtain business leader and sponsor approval
- 5 ix. Document evaluation, recommendation, next steps

3) Step 306: Create high level solution concept and strategy (Input: output of steps 302 and/or 304; Output: Actionable data with high risks identified, High level marketing plan, Solution(s), Written concepts)

- a. Define solution features
- 10 i. Assign Solution/ project leader
- ii. Create cross-functional team & communication plan
- iii. Leverage other business experience
- iv. Brainstorm solution/product features including product(s), channel(s), marketing and servicing with team to fulfill identified market(s) and 15 satisfy CTQ's
- v. Evaluate e-Commerce potential
- vi. Evaluate features and prioritize based on criteria including profitability, growth potential, ease of implementation, business MGPP fit (evaluation based on experience; may need to revisit in step 308 with supporting 20 data)
- vii. Document solution features and determine next steps

b. Understand Compliance and Regulatory: Preliminary Assessment

i. Evaluate proposed solution(s) on a preliminary basis. Identify high risks areas/ "showstoppers". Include a high-level review of the following:

(1) capability to sell (license, expertise)

(2) requirements for high impact states

5 (3) regulatory, environmental trends

ii. Document evaluation, recommendation and next steps

c. Assess Operational, Systems Feasibility; Preliminary Assessment

i. Evaluate proposed solution(s) on a preliminary basis. Identify high risks areas/ "showstoppers." Include a high-level review of the following:

10 (1) infrastructure requirements, gaps with resource availability

(2) cost

(3) systems functionality, specifications

(4) implementation

15 ii. Document evaluation, recommendation and next steps

d. Assess Product and Distribution Channel; Preliminary Assessment

i. Evaluate and select distribution product(s), channel(s), mix and geographic scope

ii. Assess competition

20 iii. Assess e-Commerce applications

iv. Evaluate proposed solution(s) on a preliminary basis. Identify high risks areas/ "showstoppers." Include a high-level review of the following:

- (1) gaps and resource availability
- (2) costs
- 5 (3) cross-sell strategy
- (4) implementation
- (5) competitive incentive/ commission strategy

v. Document evaluation, recommendation and next steps

e. **Assess Business Risk; Preliminary Assessment**

10 i. Capture risks from Brainstorm and functional assessments

ii. If a product enhancement, review risk assessment for current product

iii. Evaluate proposed solution(s) on a preliminary basis. Include a high-level review of the following:

- 15 (1) mitigation/ abatement/ response plan with risk level and responsibilities
- (2) rating agency impact
- (3) intellectual property rights

iv. Document evaluation, recommendation and next steps

20 f. **Develop Financial Analysis; Preliminary Assessment**

i. Evaluate proposed solution(s) on a preliminary basis. Identify high risks areas/ "showstoppers." Include a high-level review of the following:

- (1) sales and market share projections
- (2) opportunity for Capital Markets and reinsurance
- 5 (3) cost of capital projection or capital adequacy
- (4) pricing and financial results (time-to-profit)
- (5) production net income/return on investment/return on equity estimate
- (6) product & sales force metrics

10 ii. Define assumptions & objectives

iii. Develop preliminary Document evaluation, recommendation and next steps

g. Develop Solution Strategy; Preliminary Assessment

i. Evaluate proposed solution(s) on a preliminary basis. Identify high risks areas/ "showstoppers." Include a high-level review of the following:

- 15 (1) promotional strategy (overview)
- (2) GOTO market strategy recommendations
- (3) account planning strategy (intermediaries)
- (4) customer conservation strategy

20 ii. Document evaluation, recommendation and next steps

4) Step 308: Validate opportunities (Input: output of step 306; Output: Validated high potential opportunity, Senior approval)

- a. Define and identify validation requirements
  - i. Identify validation data needs
- 5 b. Develop data collection plan
  - i. Design validation data collection plan
  - ii. Brief the Supplier/Vendor
  - iii. Design the Research
  - iv. Recommend Supplier/ Vendor plan
- 10 c. Collect validation data
  - i. Collect validation data
  - ii. Store in central repository
- d. Analyze validation data
  - i. Confirm or modify conclusions
- 15 ii. Validate features with consumers and agents
  - iii. Refine solution concept
  - iv. Select high potential opportunity with team members and leadership including product(s), channel(s), marketing and servicing features. Also, discuss market/segment analysis, potential for business, brainstorm results, preliminary functional assessments, risks, recommendation and next steps.
- 20 Revalidate solution with business MGPP. (Principal Step No. 2 Review)

v. Transition sponsorship, project leader role, implementation plan to develop solutions

The market assessment method discussed above and illustrated by way of Table II is preferably carried out by a cross-functional team composed of at least the following:

5 (1) Business Sponsor (*i.e.*, a leader in the business with authority to initiate, implement and complete a project), (2) Project Leader (*i.e.*, a person designated by a Business Sponsor to manage the day-to-day activities to implement and complete a project), (3) Market Assessment Process Owner (*i.e.*, a person responsible for all market assessment activity in the business and who is focussed on Principal Step  
10 Nos. 1 and 2), (4) Market Assessment Analyst (*i.e.*, a person responsible for managing and executing the day-to-day activities that focus on the market research aspects of the market assessment), (5) Develop Solutions Leader (*i.e.*, a person who has input to project objectives and scope and creates high-level solutions in market assessment), (6) Key Stake Holders (*i.e.*, those that have to allocate resources to the  
15 market assessment project), (7) Market Researcher Supplier (*i.e.*, an external person or entity that supplies market research), and (8) Subject Matter Expert (*i.e.*, persons who are experts in particular subject matter). FIGS. 13A, 13B and 13C are a flow chart illustrating exemplary roles and responsibilities of the various members of the cross-functional team (identified at the top of each column) in connection with  
20 carrying out the primary steps of the market assessment method of the present invention.

In particular, with reference to FIG. 13A, flow chart 400 begins at step 401 where a Business Sponsor states a hypothesis, objectives and/or rationales for developing a strategic business plan for identifying high-potential opportunities. The process then continues to step 402 where the Business Sponsor identifies a Project Leader and cross-functional resources to assess the plan. Thereafter, at step 403, the selected Project Leader confirms the hypothesis, objective and/or rationales. The process then proceeds to step 404 where the Project Leader identifies the information needed to prove the hypothesis and meet objectives. In order to do so, the process continues to step 405 where a data collection plan is jointly developed by the Project Leader, a  
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Market Assessment (ATM) Process Owner, a Market Assessment (ATM) Analyst and a Develop Solutions Leader. After a proposed data collection plan is developed, the process proceeds to test 406 where the Business Sponsor determines if the plan is acceptable. If the plan is not acceptable, the process repeats to step 404 discussed above. If the plan is acceptable, the process proceeds to test 407 where the Market Assessment Analyst determines if secondary data is a source for the plan. If secondary data is not a source, the process continues to step 304 illustrated in FIG. 13B (discussed below). If secondary data is a source, the process proceeds to steps 408 (where data is collected), 409 (where the data is analyzed), 410 (where the data is manipulated to yield conclusions and recommendations), 411 (where opportunities are prioritized) and 412 (where findings, conclusions and recommendations are documented), all of which are carried out by the Market Assessment Analyst. Thereafter, the process proceeds to step 413 where the Market Assessment Analyst determines whether, in light of the collected secondary data, the hypothesis is still valid and to recommend "killing" (i.e., terminating), revising or proceeding with the project. At test 414, if the hypothesis is not acceptable, the process repeats to data collection step 408 discussed above. If it is, the process proceeds to steps 415A, 415B and 415C where the Project Leader, Market Assessment Analyst and Develop Solutions Leader jointly discuss the conclusions and recommendations. If they agree to the findings at tests 416A, 416B and 416C, respectively, the process proceeds to step 417 where the collected data is deposited in a data repository by the Project Leader. If they do not, the process repeats data collection step 408 discussed above. As a check, after step 417, the process proceeds to test 418 where the Project Leader determines if the hypothesis is still valid. If not, at test 419, the Project Leader determines whether to kill the project (where the process would then stop at step 420). If at test 419 the Project Leader decides not to kill the project, the process proceeds to step 421 where the hypothesis is revised and the process then repeats to step 405 where a revised data collection plan is developed. If at test 418 the Project Leader determines that the hypothesis is still valid, the process proceeds to test 422 where it is determined if there are any gaps in knowledge associated with the project. If there are, the process repeats to step 405 where a revised data collection

plan is developed. If there are not any gaps in knowledge, the process proceeds to step 460 illustrated on FIG. 13C (discussed below).

With reference to FIG. 13B, in response to test 407 from FIG. 13A where it is determined that secondary data is needed in connection with the data collection plan, the process proceeds to steps 430A and 430B where the Market Assessment Process Owner and Analyst jointly determine what Market Research Suppliers to meet with and carry out that aspect of the plan. Thereafter, at steps 431A, 431B, 431C and 431D, the Project Leader, Market Assessment Analyst, Develop Solutions Leader and Market Research (MR) Suppliers meet to: (1) share board business background, (2) discuss research objectives, (3) discuss time and cost parameters, (4) address any Supplier questions and/or concerns, and (5) request written proposals and preliminary design by a specific date. Thereafter, the process proceeds to step 432 where the research plan is designed by the Market Research Supplier. After the research plan is designed, the Market Research Supplier writes a proposal at step 433 and provides it to the Market Assessment Analyst, where at step 434, it is evaluated. In particular, at test 435 the Market Assessment Analyst determines if the proposal is acceptable based on design, cost and time criteria. If not, the process repeats to steps 431A-D discussed above. If the proposal is acceptable, the process proceeds to step 436 where a research design/proposal is recommended. Thereafter, the process goes to test 437 where the Market Assessment Process Owner determines if the proposal is acceptable based on design, cost and time criteria. If not, the process repeats to steps 431A-D discussed above. If the proposal is acceptable, the process proceeds to tests 438A and 438B where the Project Leader and Develop Solutions Leader also determine from their perspectives whether the proposal is acceptable. Similar to tests 435 and 437, if not, the process repeats to steps 431A-D discussed above. If the proposal is acceptable to them, the process they proceeds to test 439 where the Business Sponsor also determines if the proposal is acceptable. If not, the process repeats to steps 431A-D discussed above. If the proposal is acceptable to the Business Sponsor, the process proceeds to steps 440 (where the Market Research Supplier conducts the research) and 441 (where the results are analyzed). Thereafter, the process proceeds to steps 442A and B (where the data is manipulated to yield

conclusions and recommendations), 443A and B (where opportunities are prioritized), 444A and B (where findings, conclusions and recommendations are documented) carried out simultaneously by the Market Assessment Analyst and Market Research Supplier.

- 5 After the findings, conclusions and recommendations are documented, the Market Assessment Process Owner determines, at test 445, whether the conclusions and recommendations are acceptable. If not, the process repeats to step 441 discussed above. If they are, the process proceeds to steps 446A, 446B, 446C and 446D where the Project Leader, Market Assessment Analyst, Develop Solutions Leader and Market Research Supplier jointly discuss the conclusions and recommendations. If they agree with the findings (see tests 447A, 447B, 447C and 447D), the process proceeds to step 448 where the relevant data is deposited in a data repository. If they do not agree with the findings, the process repeats to step 441 discussed above. After step 448, the process proceeds to test 449 where the Project Leader checks to determine if the hypothesis is still valid. If not, the process goes to test 450 where it is determined whether to kill the project by stopping at step 451. If the Project Leader decides not to kill the project but instead to revise the hypothesis (see step 452), the process proceeds back to FIG. 13A to collect data in connection with the revised hypothesis.
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In the alternative, if at test 449 it is determined that the hypothesis is still valid, the process proceeds to test 453 where the Business Sponsor determines if the conclusions and recommendations are acceptable. If not, the process repeats to steps 442A and B discussed above. If they are acceptable, the process proceeds to test 454 where the Business Sponsor determines whether or not the research was performed to prioritize concepts. If the answer is yes, the process proceeds to FIG. 13C to perform a risk assessment (to be discussed further below). If the answer is no, the process proceeds to test 455 where it is determined whether or not the research was performed to validate high-level solution concepts and strategy. If the research was done for such validation, the process proceeds to test 484 of FIG. 13C (to be discussed further below). If the answer to test 455 is no, the process proceeds to steps 460A, 460B, 460C and 460D (of FIG. 13C) where the Project Leader, Market

Assessment Analyst, Develop Solutions Leader and Subject Matter Expert (SME) jointly review the conclusions and recommendations from steps 302 and 304 in an effort to assess risks (to be discussed further below).

With reference to FIG. 13C, after steps 460A-D, the process proceeds to steps 461A-D, 5 respectively, where solution opportunities based on research are determined. Thereafter, the process proceeds to test 462 where the Market Assessment Process Owner determines whether the solution opportunities are acceptable. If not, the process returns to steps 460A-D discussed above. If the solution opportunities are acceptable to the Market Assessment Process Owner, the process proceeds to test 463 10 where the Business Sponsor in turn determines if the solution opportunities are acceptable. If they are not, the process returns to steps 460A-D discussed above. If the opportunities are acceptable, the process proceeds to test 464 where Key Stake Holders determine if the proposed solution opportunities are also acceptable to them as well. If the Key Stake Holders determine that the opportunities are not 15 acceptable, the process returns to steps 460A-D discussed above. Otherwise, if the solution activities are acceptable to the Key Stake Holders, the process proceeds to step 465 where a cross functional brainstorming team is created by the Develop Solutions Leaders.

Thereafter, the process proceeds to steps 466A-D (where brainstorming is used to 20 define solution features), 467A-D (where solution concepts are generated) and 468A-D (where solution concepts are discussed) are performed jointly by the Project Leader, Market Assessment Analyst, Develop Solutions Leader and Subject Matter Experts. The process then proceeds to test 469 where the Business Sponsor determines whether or not the solution concept is acceptable. If the solution concept 25 is not acceptable, the process returns to step 465 discussed above. If the solution concept is acceptable to the Business Sponsor, the process proceeds to test 470 where it is determined if research is needed to prioritize concepts. If prioritization research is needed, the process returns to steps 430A and 430B of FIG. 13B discussed above. If prioritization research is not needed, the process proceeds to step 471 where solution 30 concepts are prioritized. In connection with prioritization, the process proceeds to steps 472 (where business risk [e.g., compliance and regulatory] are assessed), 474

(where operational and system feasibility are assessed), 476 (where distributions channels are assessed) and 478 (where financial analysis is developed). For each of these four steps, the Develop Solutions Leader consults with Subject Matter Experts 472A, 474A, 476A and 478A, respectively. After steps 472, 474, 476 and 478, the 5 process proceeds to associated tests 472B, 474B, 476B and 478B, respectively. If the answer to any of these four tests is no, the process returns to step 465 discussed above to provide additional brainstorming. When the answer to all four of these tests is yes (see test 479), the process proceeds to step 480 where a high level solution strategy is developed by the Develop Solutions Leader. In doing so, the process 10 proceeds to steps 481A, 481B, 481C and 481D where high level solution concepts and strategy are discussed amongst the Business Sponsor, Project Leader, Market Assessment Analyst and Develop Solutions Leader. After such discussions, the process proceeds to test 482 where the Business Sponsor determines whether the discussed concepts and strategy are approved for validation. If not, the process 15 returns to step 465 discussed above. If the discussed concepts and strategy are approved for validation, the process proceeds to step 483 where relevant data is deposited in the data repository by the Project Leader. Thereafter, the process proceeds to steps 430A and B for validation (FIG. 13B). After validation research (see test 455 in FIG. 13B), the process returns to FIG. 13C and performs test 484 where it is 20 determined whether or not the conclusions and recommendations are acceptable to the Key Stake Holders. If so, the process proceeds to develop solutions in connection with the remaining portion of the product design stage.

In light of the above, the market assessment method aspect of the present invention can be used to develop and/or enhance financial services products to both create 25 differentiation and drive competitive advantages in the market place. This method also helps to reduce the need to rework such products after market introduction as a result of an inadequate or incomplete understanding of the relevant market. As such, it provides an improved method for developing and managing a financial services product compared to the prior art. In addition, the method provides a 30 systematic and quantifiable procedure for identifying early on unique market opportunities with high potential.

Accordingly, based on the above, an integrated system and method has been disclosed for developing and managing a financial services product. One skilled in the art will appreciate that the present invention can be practiced by other than the described embodiments. For example, one skilled in the art will understand that

5 although the preferred embodiment of the invention is directed to the development and management of an insurance product, the invention is not limited as such and extends to other forms of financial services products such as financial instruments, investment programs, asset or fund management, tax coordination, capital markets development and implementation, etc. In addition, although memory 14 in FIG. 1 is

10 illustrated with five separate and distinct data files 16, 18, 20, 22 and 24, some or all of the functions associated with those data files can be merged into a single file (if it is so desired). Moreover, although process 30 in FIG. 2 is illustrated with four separate and distinct stages 32, 34, 36 and 38, some or all of the functions associated with those stages can be merged into a single stage (if it is so desired).

15 Thus, an integrated system and method for developing and managing a financial services product has been disclosed. One skilled in the art will appreciate that the present invention can be practiced by other than the described embodiments, which are presented here for purposes of illustration and not of limitation, and that the present invention is limited only by the claims that follow.

What is claimed is:

1. A computer system having input means, memory means, processor means and display means, for developing and managing financial services products, the system comprising:
  - 5 [a] a first data file stored in the memory means containing statements of a plurality of principal steps involved in the development of the financial services product;
  - [b] a second data file stored in the memory means containing statements of a plurality of component sub-steps associated with each principal step;
- 10 [c] a third data file stored in the memory means containing statements of criteria for determining whether a principal step has been successfully completed, including by identifying necessary approval entities and the standards to be applied by the entities;
- 15 [d] a fourth data file stored in the memory means containing a plurality of tools associated with at least one principal step or sub-step and further including a representational icon associated therewith, the icon to be displayed on the display means with the principal step or sub-step with which the tool is associated, the tools being chosen from the group comprising:
- 20 [d1] a glossary of terms and phrases useful in developing and managing a financial services products;
- 25 [d2] a list of previously prepared documents potentially applicable for at least one sub-process and created using an application software product, the documents stored electronically in the memory means in the file format of the application software product used to create them;

- [d3] a list of approvals required for successful completion of the step;
- [d4] a market assessment tool useful for analyzing markets for financial services products;
- 5 [d5] a risk assessment tool useful for analyzing risk associated with financial services products;
- [e] means for displaying on the display means statements of the principal steps from the first data file and for permitting the user to select, through the input means, one of the principal steps;
- 10 [f] a means responsive to user selection of a principal step for accessing the second data file, retrieving from the second data file statements of the sub-steps associated with the selected principal step and displaying on the display screen the retrieved statements of the principal step and the associated sub-steps;
- 15 [g] means responsive to the user selection of a principal step or an associated sub-step for accessing the fourth data file, retrieving information from the fourth data file relating to tools associated with the selected step or sub-step and displaying on the display means icons for those tools;
- [h] means for displaying any tool in response to user selection of an icon representing the tool; and
- 20 [i] means responsive to the user selection of a tool comprising a document created in a software product for causing that product to be started on the computer system and, thereafter, for the document to be launched and displayed to the user on the display means.

2. The system of claim 1 wherein the principal steps are selected from the group comprising: product design, product approval, product launch to market and product management after launch.
3. The system of claim 1 wherein the approval entities are selected from the group comprising: product design, risk management, finance, marketing, legal and administration.
4. The system of claim 1 wherein the group of tools further include:
  - [d6] a product approval review template for launching a template that assists a user in drafting a product approval review document;
  - 10 [d7] a product prioritization tool for providing a priority listing of product development projects that should be given higher priority over others;
  - [d8] an impact on system and structures tool to assist in quantifying the impact of a proposed product on various aspects of a business; and
  - 15 [d9] a project planning tool to assist in planning and tracking the development of a proposed product.
5. The system of claim 1 wherein the financial services products comprise insurance products.
6. A system for developing and managing financial services products comprising:
  - 20 [a] a central processing unit;
  - [b] a plurality of user interfaces coupled to the processing unit for use by members a cross-functional product development team, each including as associated user display and user input means;

[c] a memory coupled to the processing unit and including the following data files stored therein to be accessed and reviewed by members of the cross-functional product development team through the user interfaces:

5 [c1] a first data file containing statements of a plurality of principal steps involved in the development and management of the financial services product;

[c2] a second data file containing statements of a plurality of component sub-steps associated with each principal step;

10 [c3] a third data file containing statements of criteria for determining whether a principal step has been completed;

[c4] a fourth data file containing a plurality of tools associated with at least one principal step or sub-step and further including a representational icon associated therewith, the icon to be displayed on the user displays with the principal step or sub-step with which the tool is associated;

15 [c5] a fifth data file containing a plurality of documents associated with at least one principal step or sub-step;

[d] means for displaying on the user displays statements of the principal steps from the first data file and for permitting a user to select, through the input means, one of the principal steps;

20 [e] means responsive to user selection of a principal step for accessing the second data file, retrieving from the second data file statements of the sub-steps associated with the selected principal step and for displaying on a user display the retrieved statements of the principal step and the associated sub-steps;

[f] means responsive to the user selection of a principal step or an associated sub-step for accessing the fourth data file, retrieving information from the fourth data file relating to tools associated with the selected step or sub-step and for displaying on a user display icons for those tools;

5 [g] means for displaying any tool in response to user selection of an icon representing the tool; and

[h] means responsive to the user selection of a tool for assisting in the creation of a document associated with the selected step or sub-step and for storing said created document in the fifth data file.

10 7. The system of claim 5 wherein the system is capable of developing and managing a variety of different types of financial services products.

8. The system of claim 6 wherein the principal steps are selected from the group comprising: a product design step, a product approval step, a product launch to market step and a product management after launch step.

15 9. The system of claim 6 wherein the criteria for determining whether a principal step has been completed includes determining whether the following business functions have given approval: product design, risk management, finance, marketing, legal and administration.

10. The system of claim 6 wherein the plurality of tools are selected from the group comprising:

20 [i] a glossary of terms and phrases useful in developing and managing financial services products;

[ii] a market assessment tool useful for analyzing markets for financial services products;

- [iii] a risk assessment tool useful for analyzing risk associated with financial services products;
- [iv] a product approval review template for launching a template that assists a user in drafting a product approval review document;
- 5 [v] a product prioritization tool for providing a priority listing of product development projects that should be completed first;
- [vi] an impact on system and structures tool to assist in quantifying the impact of a proposed product on various aspects of a business;
- 10 [vii] a project planning tool to assist in planning and tracking the development of a proposed product.

11. The system of claim 6 wherein the financial services products comprise insurance products.

12. An integrated system for developing and managing a financial services product comprising:

- 15 [a] a central processing unit programmed to assist in the development and management of the product by a cross-functional product development team including team members representing at least a plurality of the following financial services business functions: product design, risk management, finance, marketing, legal and administration;
- 20 [b] a plurality of user interfaces coupled to the central processing unit each including an input means and display means adapted for use by the cross-functional product development team;
- [c] a memory coupled to the central processing unit including data files for storing pre-selected information in connection with the development and

management of the product, wherein the data files can be retrieved by members of the product development team through the user input means, said data files including at least:

[c1] a first data file associated with a first stage of the development and

5 management of the product; and

[c2] a second data file associated with a second subsequent stage of the development and management of the product;

[d] wherein in response to a first member's retrieval of either the first or second data file, the central processing unit is programmed to display on the member's user display means:

10 [d1] information in connection with the particular stage of development and management of the product associated with the retrieved data file;

[d2] a list of documents stored in a third data file useful in connection with the particular stage of development and management associated with the 15 retrieved data file, wherein the first member can also retrieve for display any one of said listed documents by selecting such document through the member's user input means; and

[d3] a list of tools for assisting the first member in the creation of documents useful in connection with the particular stage of development and 20 management associated with the retrieved data file, wherein the documents created by the first member are stored in the third data file to be retrieved and displayed by other members of the team.

13. The system of claim 12 wherein the first stage comprises a product design stage, the second stage comprises a product approval stage and wherein the 25 memory includes:

[c3] a fourth data file associated with a third stage of the development and management of the product comprising a product launch to market stage; and

5 [c2] a fifth data file associated with a fourth stage of the development and management of the product comprising a product management after launch stage.

14. The system of claim 12 wherein in response to a first member's retrieval of either the first, second, fourth or fifth data file, the central processing unit is programmed to display on the member's user display means:

10 [d1] information in connection with the particular stage of development and management of the product associated with the retrieved data file;

[d2] the list of documents stored in a third data file, wherein the first member can also retrieve for display any one of said listed documents by selecting such document through the member's user input means;

15 [d3] a list of tools for assisting the first member in the creation of documents useful in connection with the particular stage of development and management associated with the retrieved data file, wherein the documents created by the first member are stored in the third data file to be retrieved by other members of the team.

20 15. The system of claim 13 wherein the list of tools includes at least a plurality of the following:

[i] a glossary of terms and phrases useful in developing and managing financial services products;

- [ii] a market assessment tool useful for analyzing markets for financial services products;
- [iii] a risk assessment tool useful for analyzing risk associated with financial services products;
- 5 [iv] a product approval review template for launching a template that assists a user in drafting a product approval review document;
- [v] a product prioritization tool for providing a priority listing of product development projects that should be given higher priority over others;
- 10 [vi] an impact on system and structures tool to assist in quantifying the impact of a proposed product on various aspects of a business; and
- [vii] a project planning tool to assist in planning and tracking the development of a proposed product.

16. The system of claim 12 wherein the information displayed on the first member's user display in connection with each of the first and second stages of development and management includes:

15 information concerning risk management principles in connection with the development and management of the product; and

20 information concerning quality control principles in connection with the development and management of the product.

17. The system of claim 13 wherein the information displayed on the first member's user display in connection with each of the first, second, third and fourth stages of development and management includes:

information concerning risk management principles in connection with the development and management of the product; and

information concerning quality control principles in connection with the development and management of the product.

5 18. The system of claim 12 wherein the financial services product comprises an insurance product.

19. A method for developing and managing a financial services product comprising the steps of:

10 [a] assembling a cross-functional product development team including team members representing at least a plurality of the following financial services business functions: product design, risk management, finance, marketing, legal and administration;

15 [b] programming a central processing unit with a process to assist in the development and management of the product by the cross-functional product development team;

[c] coupling a plurality of user interfaces to the central processing unit wherein each user interface includes an input means and display means adapted for use by the cross-functional product development team;

20 [d] storing in a memory coupled to the central processing unit data files with pre-selected information in connection with the development and management of the product, wherein the data files can be retrieved by members of the product development team through the user input means, said data files including at least:

[d1] a first data file associated with a first stage of the development and management of the product; and

[d2] a second data file associated with a second subsequent stage of the development and management of the product;

5 [e] programming the central processing unit to display on a first member's user display means, in response to such member's retrieval of either the first or second data file:

[e1] information in connection with the particular stage of development and management of the product associated with the retrieved data file;

10 [e2] a list of documents stored in a third data file useful in connection with the particular stage of development and management associated with the retrieved data file, wherein the first member can also retrieve for display any one of said listed documents by selecting such document through the member's user input means; and

15 [e3] a list of tools for assisting the first member in the creation of documents useful in connection with the particular stage of development and management associated with the retrieved data file, wherein the documents created by the first member are stored in the third data file to be retrieved and displayed by other members of the team.

20 20. The method of claim 19 wherein the first stage comprises a product design stage, the second stage comprises a product approval stage and wherein the method further comprises:

[d3] storing a fourth data file in the memory associated with a third stage of the development and management of the product comprising a product launch to market stage; and

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[d2] storing a fifth data file in the memory associated with a fourth stage of the development and management of the product comprising a product management after launch stage.

21. The method of claim 20 wherein in response to a first member's retrieval 5 of either the first, second, fourth or fifth data file, the central processing unit is programmed to display on the member's user display means:

[e1] information in connection with the particular stage of development and management of the product associated with the retrieved data file;

10 [e2] a list of documents stored in a third data file, wherein the first member can also retrieve for display any one of said listed documents by selecting such document through the member's user input means;

15 [e3] a list of tools for assisting the first member in the creation of documents useful in connection with the particular stage of development and management associated with the retrieved data file, wherein the documents created by the first member are stored in the third data file to be retrieved by other members of the team.

22. The method of claim 19 wherein the list of tools includes at least a plurality of the following:

20 [i] a glossary of terms and phrases useful in developing and managing financial services products;

[ii] a market assessment tool useful for analyzing markets for financial services products;

[iii] a risk assessment tool useful for analyzing risk associated with financial services products;

- [iv] a product approval review template for launching a template that assists a user in drafting a product approval review document;
- [v] a product prioritization tool for providing a priority listing of product development projects that should be given higher priority over others;
- 5 [vi] an impact on system and structures tool to assist in quantifying the impact of a proposed product on various aspects of a business; and
- [vii] a project planning tool to assist in planning and tracking the development of a proposed product.

10 23. The method of claim 19 wherein the information displayed on the first member's user display in connection with the first and second stages of development and management includes:

information concerning risk management principles in connection with the development and management of the product; and

15 24. The method of claim 20 wherein the information displayed on the first member's user display in connection with the first, second, third and fourth stages of development and management includes:

20 information concerning risk management principles in connection with the development and management of the product; and

information concerning quality control principles in connection with the development and management of the product.

25. The method of claim 19 wherein the financial services product comprises an insurance product.
26. A method for developing and managing financial services products comprising the steps of:
  - 5 [a] assembling a cross-functional product development team including team members representing at least a plurality of the following financial services business functions: product design, risk management, finance, marketing, legal and administration;
  - 10 [b] providing each member of the team with a user interface coupled to a central processing unit;
  - [c] programming the central processing unit with a process to assist in the development and management of the products, wherein the process includes:
    - 15 [c1] a plurality of sequential, pre-determined principal steps associated with the development and management of the products;
    - [c2] statements of criteria for determining whether a principal step has been successfully completed in order to proceed to a subsequent step;
    - [c3] risk management principles integrated into each of the principal steps;
    - 20 [c4] quality control principles integrated into each of the principal steps; and
    - [c5] data-driven analytics integrated into each of the principal steps so that the products are developed and managed based on documented and quantifiable data.

27. The method of claim 26 wherein the same method is capable of developing and managing a variety of financial services products.
28. The method of claim 27 wherein the financial services products are chosen from the group comprising: insurance products, financial instruments and investment programs.  
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29. The method of claim 26 wherein the pre-determined principal steps include a design step, a product approval step, a product launch to market step and a product management after launch step.
30. The method of claim 26 wherein the statements of criteria for determining whether a principal step has been successfully completed include an identification of approvals necessary to proceed to a subsequent step.  
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31. A computer system having input means, memory means, processor means and display means, for developing financial services products, the system comprising:  
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  - [a] a first data file stored in the memory means containing statements of a plurality of principal steps involved in the development of the financial services product including steps for assessing a market and identifying opportunities;
  - [b] a second data file stored in the memory means containing statements of a plurality of component sub-steps associated with each principal step including the sub-steps of:  
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    - [b1] collecting secondary data;
    - [b2] conducting primary research;
    - [b3] creating a market strategy; and
    - [b4] validating opportunities;

- [c] a third data file stored in the memory means containing statements of criteria for determining whether a principal step has been successfully completed, including by identifying necessary approval entities and the standards to be applied by the entities;
- 5 [d] a fourth data file stored in the memory means containing a plurality of tools associated with at least one principal step or sub-step and further including a representational icon associated therewith, the icon to be displayed on the display means with the principal step or sub-step with which the tool is associated, the tools being chosen from the group comprising:
- 10 [d1] a glossary of terms and phrases useful in developing and managing a financial services products;
- [d2] a list of previously prepared documents potentially applicable for at least one sub-process and created using an application software product, the documents stored electronically in the memory means in the file format of the application software product used to create them;
- 15 [d3] a list of approvals required for successful completion of the step;
- [e] means for displaying on the display means statements of the principal steps from the first data file and for permitting the user to select, through the input means, one of the principal steps;
- 20 [f] a means responsive to user selection of a principal step for accessing the second data file, retrieving from the second data file statements of the sub-steps associated with the selected principal step and displaying on the display screen the retrieved statements of the principal step and the associated sub-steps;
- [g] means responsive to the user selection of a principal step or an associated sub-step for accessing the fourth data file, retrieving information from the fourth data file relating to tools associated with the selected step or sub-step and displaying on the display means icons for those tools;

[h] means for displaying any tool in response to user selection of an icon representing the tool; and

5 [i] means responsive to the user selection of a tool comprising a document created in a software product for causing that product to be started on the computer system and, thereafter, for the document to be launched and displayed to the user on the display means.

32. The system of claim 1 wherein the sub-step of collecting secondary data comprises identifying potential customers, markets and solution hypotheses.

10 33. The system of claim 1 wherein the sub-step of conducting primary research comprises confirming, refining and prioritizing customers and markets.

34. The system of claim 1 wherein the financial services products comprise insurance products.

35. A system for developing financial services products comprising:

15 [a] a central processing unit;

[b] a plurality of user interfaces coupled to the processing unit for use by members a cross-functional market assessment team, each including as associated user display and user input means;

20 [c] a memory coupled to the processing unit and including the following data files stored therein to be accessed and reviewed by members of the cross-functional market assessment team through the user interfaces:

[c1] a first data file containing statements of a plurality of principal steps involved in the development and management of the financial services product including steps for assessing a market and identifying opportunities;

25 [c2] a second data file containing statements of a plurality of component sub-steps associated with each principal step including the sub-steps of: collecting

secondary data, conducting primary research, creating a market strategy, and validating opportunities;

5 [c3] a third data file containing statements of criteria for determining whether a principal step has been completed;

[c4] a fourth data file containing a plurality of tools associated with at least one principal step or sub-step and further including a representational icon associated therewith, the icon to be displayed on the user displays with the principal step or sub-step with which the tool is associated;

10 [c5] a fifth data file containing a plurality of documents associated with at least one principal step or sub-step;

[d] means for displaying on the user displays statements of the principal steps from the first data file and for permitting a user to select, through the input means, one of the principal steps;

15 [e] means responsive to user selection of a principal step for accessing the second data file, retrieving from the second data file statements of the sub-steps associated with the selected principal step and for displaying on a user display the retrieved statements of the principal step and the associated sub-steps;

20 [f] means responsive to the user selection of a principal step or an associated sub-step for accessing the fourth data file, retrieving information from the fourth data file relating to tools associated with the selected step or sub-step and for displaying on a user display icons for those tools;

[g] means for displaying any tool in response to user selection of an icon representing the tool; and

25 [h] means responsive to the user selection of a tool for assisting in the creation of a document associated with the selected step or sub-step and for storing said created document in the fifth data file.

36. The system of claim 5 wherein the sub-step of collecting secondary data comprises identifying potential customers, markets and solution hypotheses.
37. The system of claim 5 wherein the sub-step of conducting primary research comprises confirming, refining and prioritizing customers and markets.
- 5 38. The system of claim 5 wherein the system is capable of developing and managing a variety of different types of financial services products.
39. The system of claim 8 wherein the members of the cross-functional market assessment team include: a business leader, a project leader, a market assessment process owner, a market assessment analyst, a develop solutions leader, key stake 10 holders, market research suppliers and subject matter experts.
40. The system of claim 8 wherein the criteria for determining whether a principal step has been completed includes determining whether the following business functions have given approval: product design, risk management, finance, marketing, legal and administration.
- 15 41. The system of claim 5 wherein the financial services products comprise insurance products.
42. An integrated system for developing a financial services product comprising:
  - 20 [a] a central processing unit programmed to assist in the development of the product by a cross-functional market assessment team including: a business leader, a project leader, a market assessment process owner, a market assessment analyst, a develop solutions leader, a key stake holder, a market research supplier and a subject matter expert;
  - 25 [b] a plurality of user interfaces coupled to the central processing unit each including an input means and display means adapted for use by the cross-functional market assessment team;

[c] a memory coupled to the central processing unit including data files for storing pre-selected information in connection with the development of the product, wherein the data files can be retrieved by members of the market assessment team through the user input means, said data files including at least:

5 [c1] a first data file associated with a first stage of the development of the product wherein the first stage includes steps for assessing a market and identifying opportunities comprising: collecting secondary data, conducting primary research, creating a strategy and validating opportunities; and

10 [c2] a second data file associated with a second subsequent stage of the development of the product;

[d] wherein in response to a first member's retrieval of either the first or second data file, the central processing unit is programmed to display on the member's user display means:

15 [d1] information in connection with the particular stage of development of the product associated with the retrieved data file;

[d2] a list of documents stored in a third data file useful in connection with the particular stage of development associated with the retrieved data file, wherein the first member can also retrieve for display any one of said listed documents by selecting such document through the member's user input means; and

20 [d3] a list of tools for assisting the first member in the creation of documents useful in connection with the particular stage of development associated with the retrieved data file, wherein the documents created by the first member are stored in the third data file to be retrieved and displayed by other members of the team.

43. The system of claim 12 wherein the first stage comprises a product design stage, the second stage comprises a product approval stage and wherein the memory includes:

[c3] a third data file associated with a third stage of the development of the product comprising a product launch to market stage.

44. The system of claim 13 wherein in response to a first member's retrieval of either the first, second or third data file, the central processing unit is programmed to 5 display on the member's user display means:

[d1] information in connection with the particular stage of development and management of the product associated with the retrieved data file;

[d2] the list of documents stored in a fourth data file, wherein the first member can also retrieve for display any one of said listed documents by selecting such 10 document through the member's user input means;

[d3] a list of tools for assisting the first member in the creation of documents useful in connection with the particular stage of development associated with the retrieved data file, wherein the documents created by the first member are stored in the fourth data file to be retrieved by other members of the team.

15 45. The system of claim 13 wherein the financial services product comprises an insurance product.

46. A method for developing a financial services product comprising the steps of:

20 [a] assembling a cross-functional market assessment team including team members representing at least a plurality of the following: a business leader, a project leader, a market assessment process owner, a market assessment analyst, a develop solutions leader, a key stake holder, a market research supplier and a subject matter expert;

[b] programming a central processing unit with a process to assist in the development of the product by the cross-functional market assessment team;

47. The method of claim 16 wherein the first stage comprises a product design stage, the second stage comprises a product approval stage and wherein the method further comprises:

5 [d3] storing a fourth data file in the memory associated with a third stage of the development of the product comprising a product launch to market stage.

48. The method of claim 17 wherein in response to a first member's retrieval of either the first, second or fourth data file, the central processing unit is programmed to display on the member's user display means:

10 [e1] information in connection with the particular stage of development of the product associated with the retrieved data file;

[e2] a list of documents stored in a third data file, wherein the first member can also retrieve for display any one of said listed documents by selecting such document through the member's user input means;

15 [e3] a list of tools for assisting the first member in the creation of documents useful in connection with the particular stage of development associated with the retrieved data file, wherein the documents created by the first member are stored in the third data file to be retrieved by other members of the team.

49. The method of claim 19 wherein the financial services product comprises an insurance product.

20 50. A method for developing financial services products comprising the steps of:

25 [a] assembling a cross-functional market assessment team including team members representing at least a plurality of the following: a business leader, a project leader, a market assessment process owner, a market assessment analyst, a develop solutions leader, a key stake holder, a market research supplier and a subject matter expert;

[b] providing each member of the team with a user interface coupled to a central processing unit;

[c] programming the central processing unit with a process to assist in the development of the products, wherein the process includes:

5 [c1] a plurality of sequential, pre-determined principal steps associated with the development of the products including the steps of assessing a market and identifying opportunities comprising: collecting secondary data, conducting primary research, creating a strategy and validating opportunities;

10 [c2] statements of criteria for determining whether a principal step has been successfully completed in order to proceed to a subsequent step; and

[c3] data-driven analytics integrated into each of the principal steps so that the products are developed based on documented and quantifiable data.

51. The method of claim 20 wherein the same method is capable of developing a variety of financial services products.

15 52. The method of claim 20 wherein the financial services products are chosen from the group comprising: insurance products, financial instruments and investment programs.

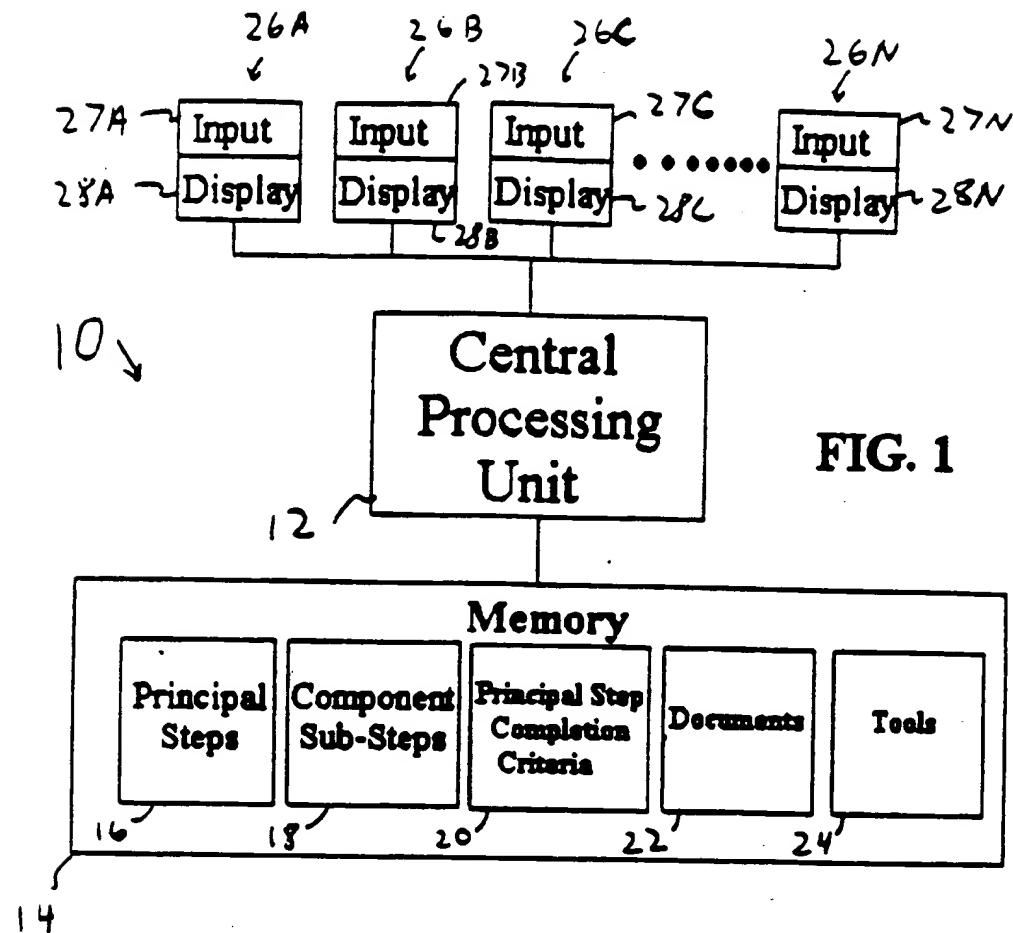


FIG. 1

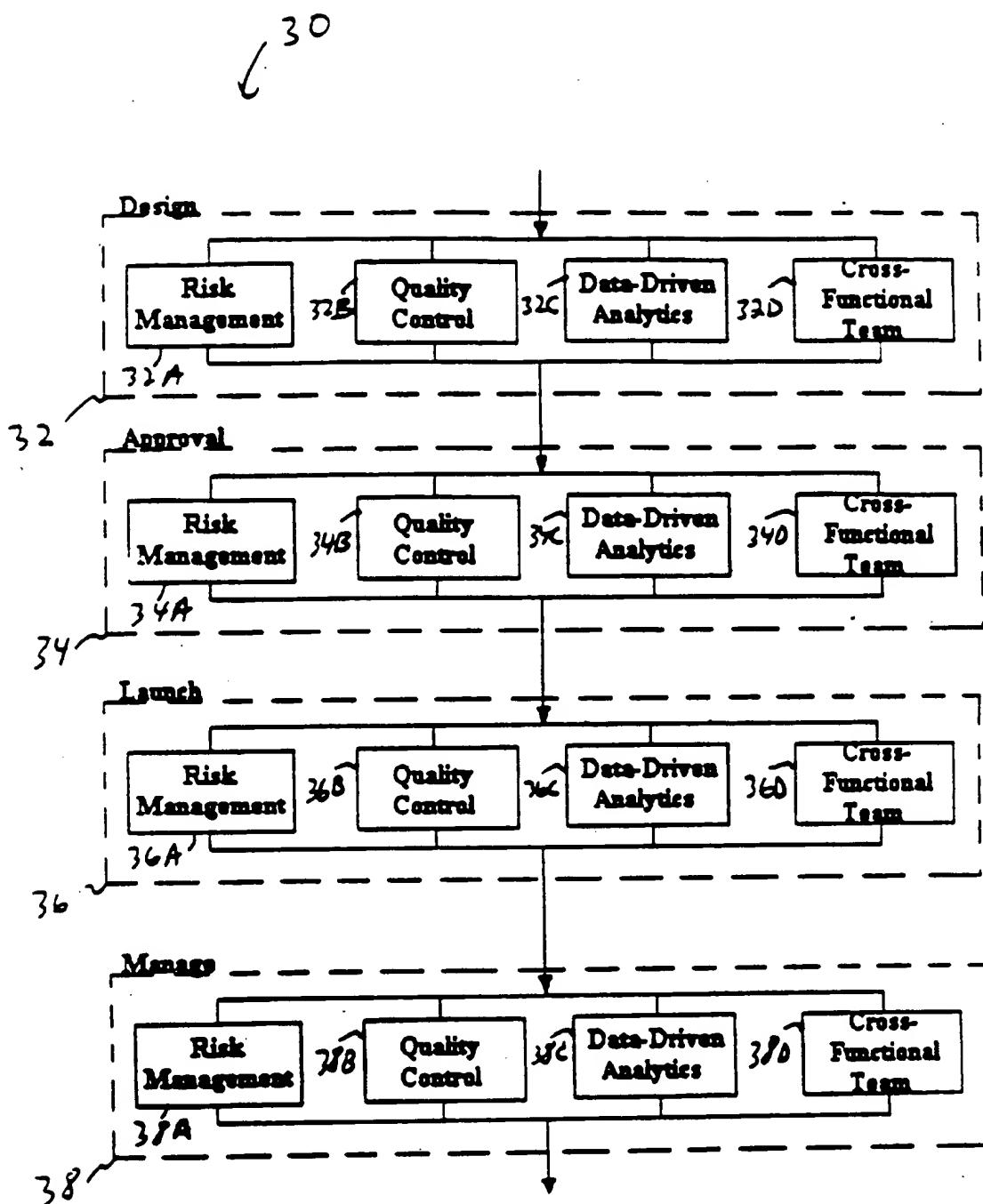


FIG. 2

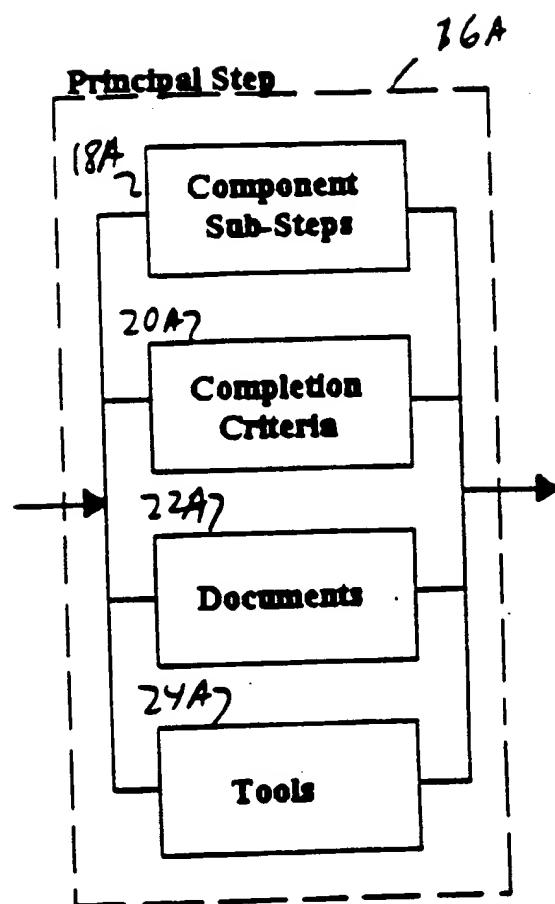
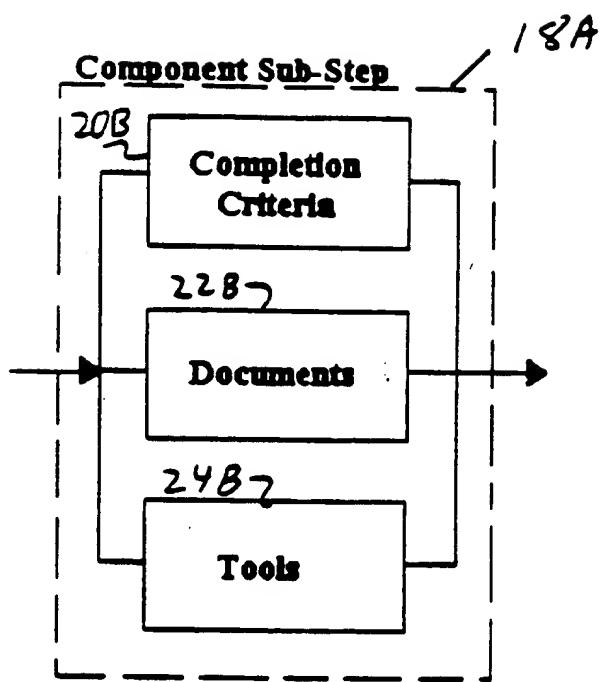


FIG. 3A



**FIG. 3B**

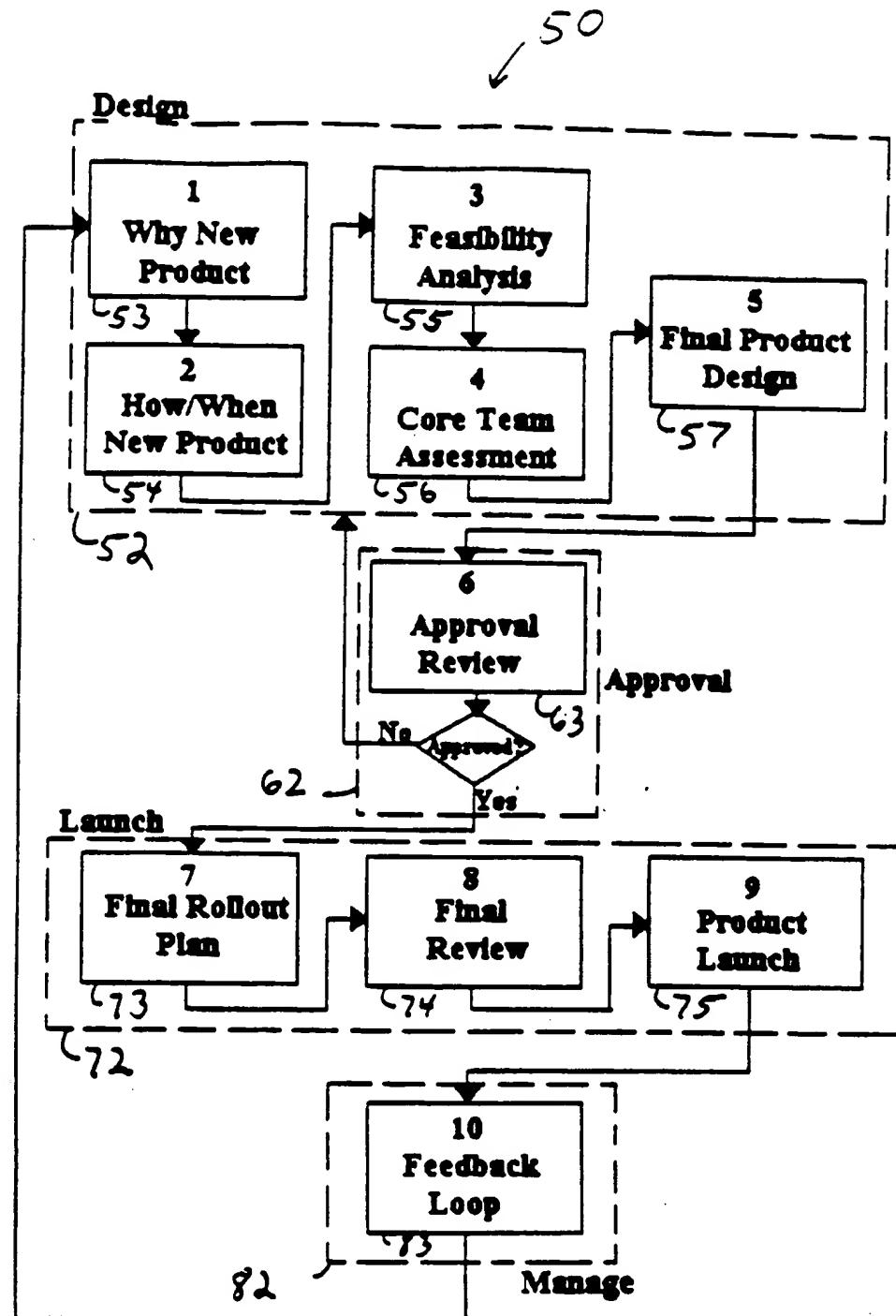


FIG. 4

File Edit View Go Favorites Help

Back Forward Stop Refresh Home Search Favorites History Channels Fullscreen Mail Print Help

Addres: <http://web.getcapital.com/>

105 106 107 108 109 110 111

102

MAIN PAGE

Principal Step 1: Why New Product: Identify Market Needs & Determine Potential Opportunities

Principal Step 2: How/When New Product: Define Potential New Features

Principal Step 3: Feasibility Analysis: Evaluate Feasibility by Function

Principal Step 4: Core Team Assessment: Complete Core Team Assessment

Principal Step 5: Final Product Design: Finalize Product Specifications

Principal Step 6: Approval Review: Prepare/Conduct Product Review Meeting

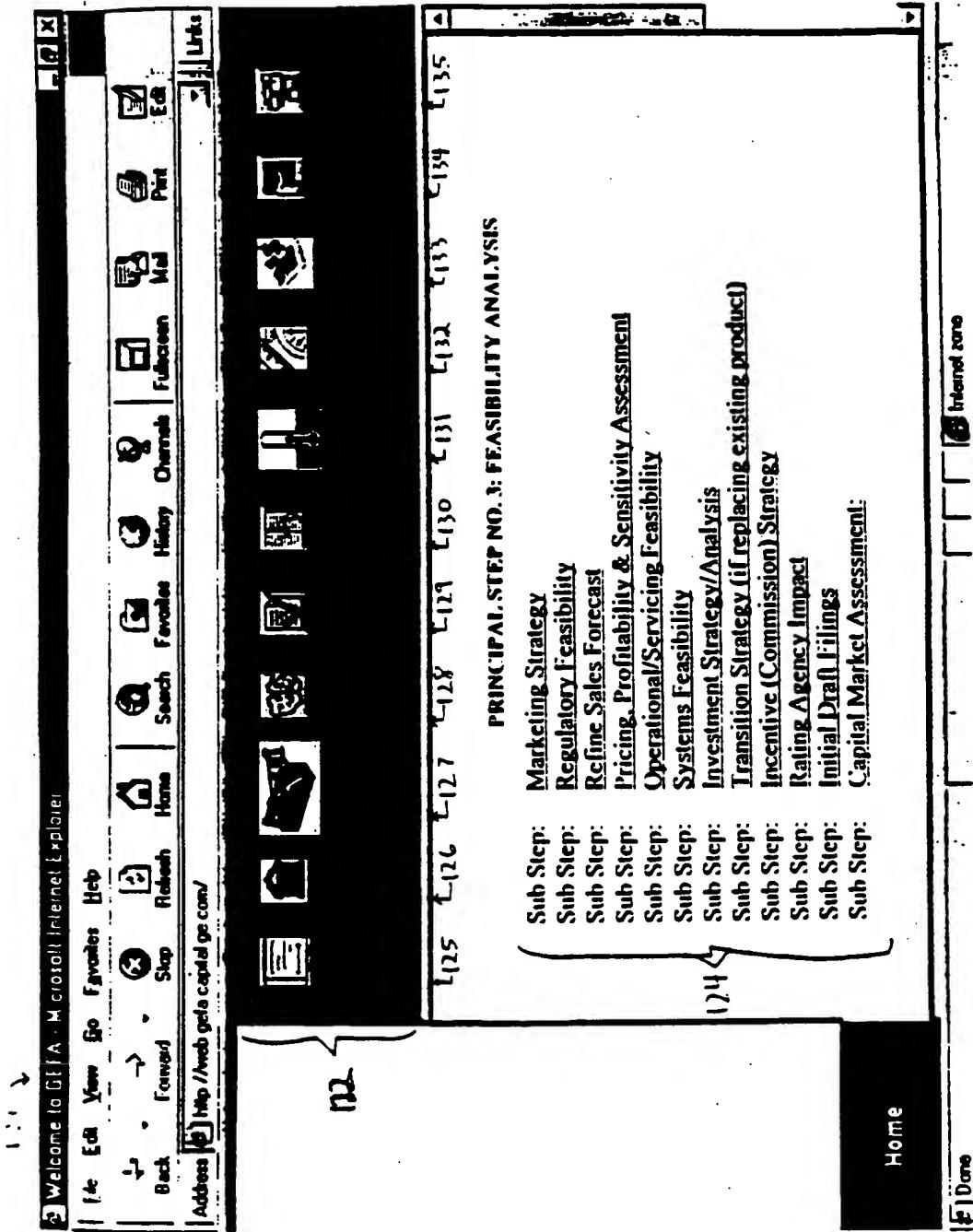
Principal Step 7: Final Rollout Plan: Prepare Rollout Plan

Principal Step 8: Final Review Prior Launch: Review Product Prior to Final Launch

Principal Step 9: Product Launch: Launch Product

Principal Step 10: Feedback Loop: Analyze Feedback

Home Done



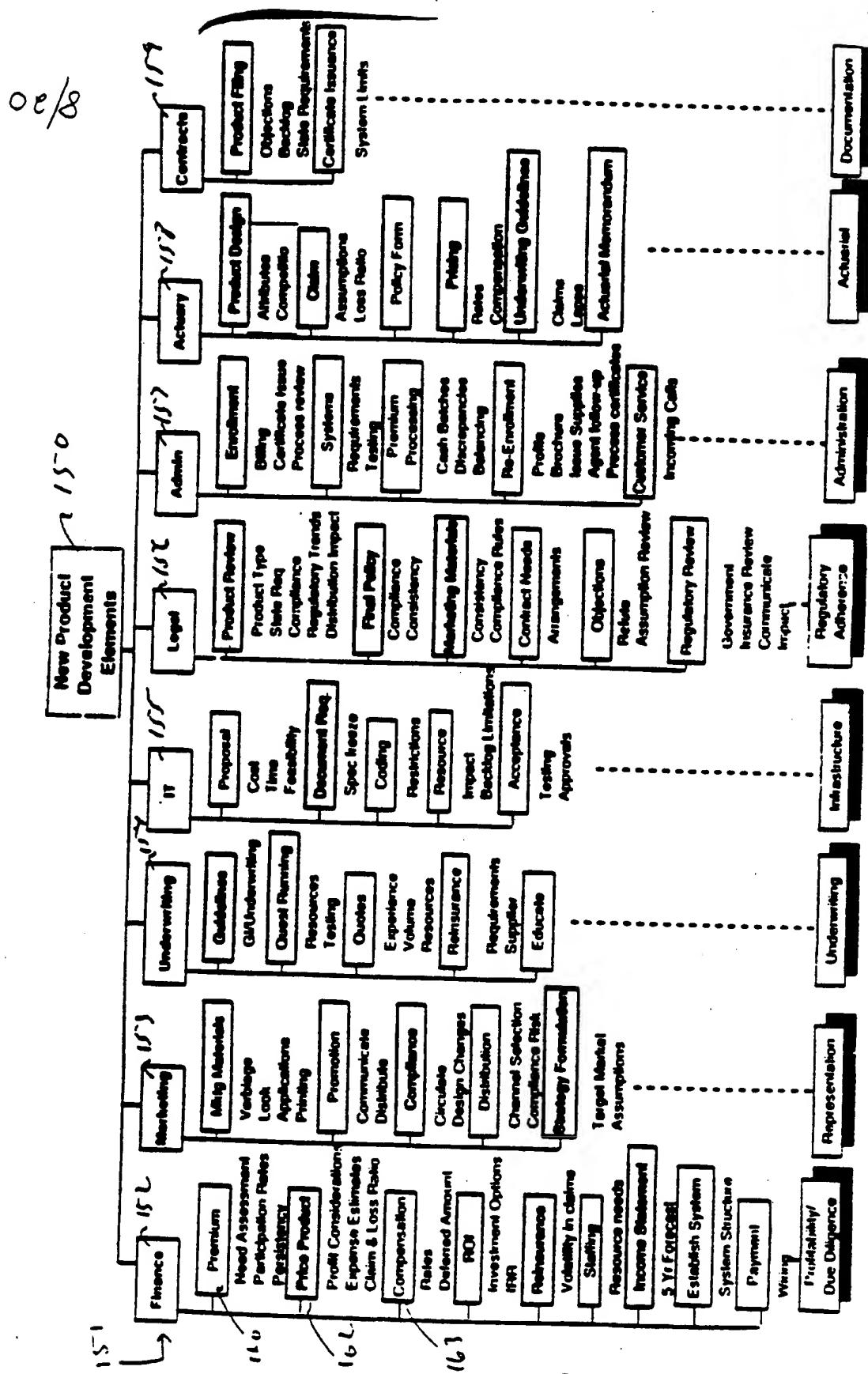


FIG. 7

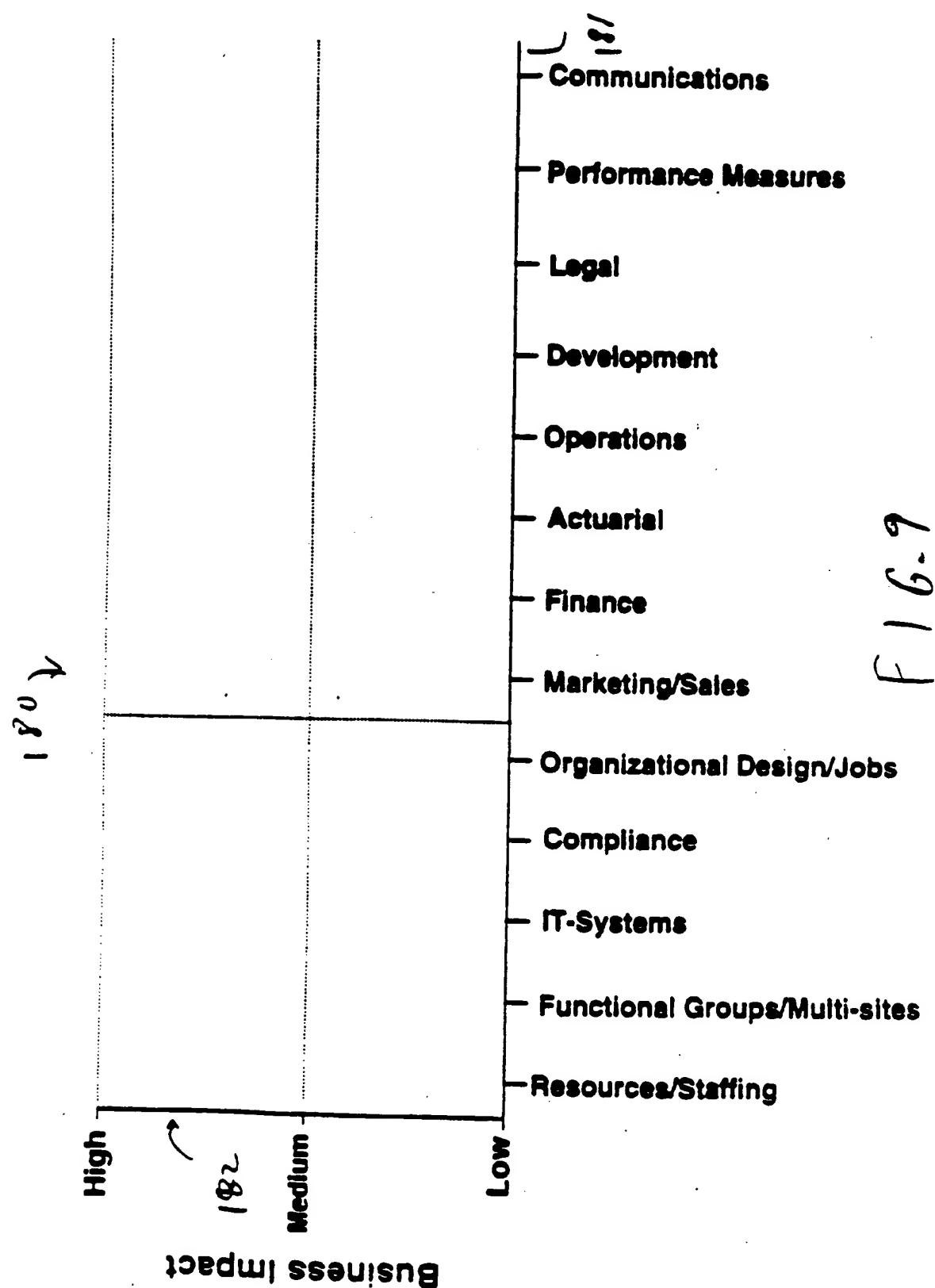


Fig. 8

174A ✓ 170 176A ✓ 177

Feature Models and Effects Analysis

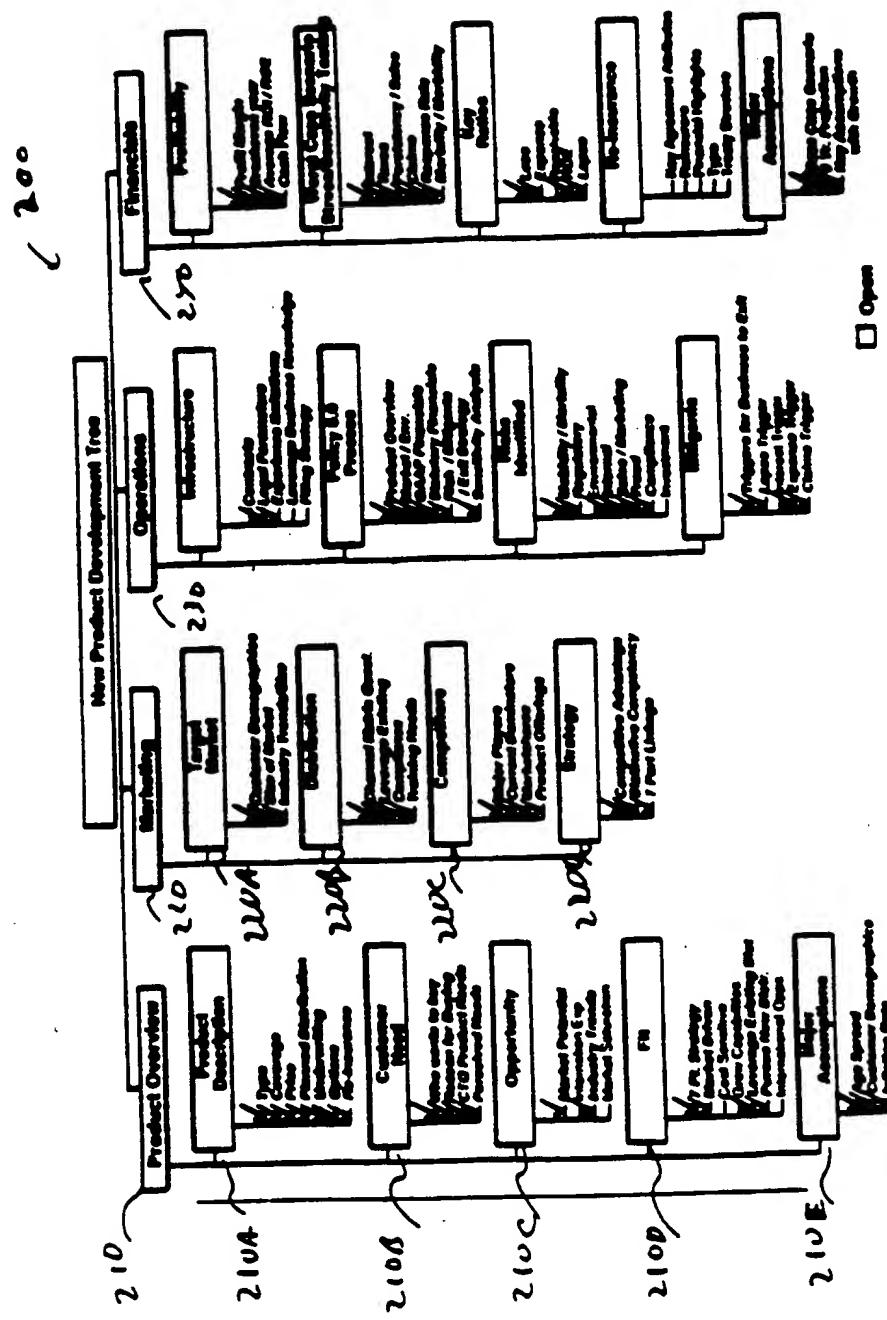
| PROJECT ID | PROJECT NAME                        | KEY INPUT FACTORS | POTENTIAL FUTURE STATE (MARCH 2023) | POTENTIAL EFFECT |
|------------|-------------------------------------|-------------------|-------------------------------------|------------------|
| 171        | PM Development                      | 171               | 171                                 | 171              |
| 172        | Key Input Factors                   | 172               | 172                                 | 172              |
| 173        | Potential Future State (March 2023) | 173               | 173                                 | 173              |

| 11. ANALYZED TESTS AND JUST FRAMEWORKS |                   | TESTS HAVE BEEN FORMATTED TO CALCULATE SOME |                                |
|--|-------------------|---|--------------------------------|
| 71                                     | Pre Development   | 172)  | 173)                           |
|  | Key Input Factors | Potential & Actual<br>Mode (M&S)            | 174)                           |
|  |                   | Potential Effects                           |                                |
|  |                   |   | 175)                           |
|  |                   | Potential Causes                            |                                |
|  |                   | 176)  | Current Condition<br>Mitigants |
|  |                   | 177)  | Causes                         |
|  |                   |   | Causes                         |
|  |                   |   | Impact Probability<br>Number   |
|  |                   |   | Recommended<br>Action          |

**Example Patterns:** Severity & Occurrence  
Duration

PCT/US00/09899

FIG. 10



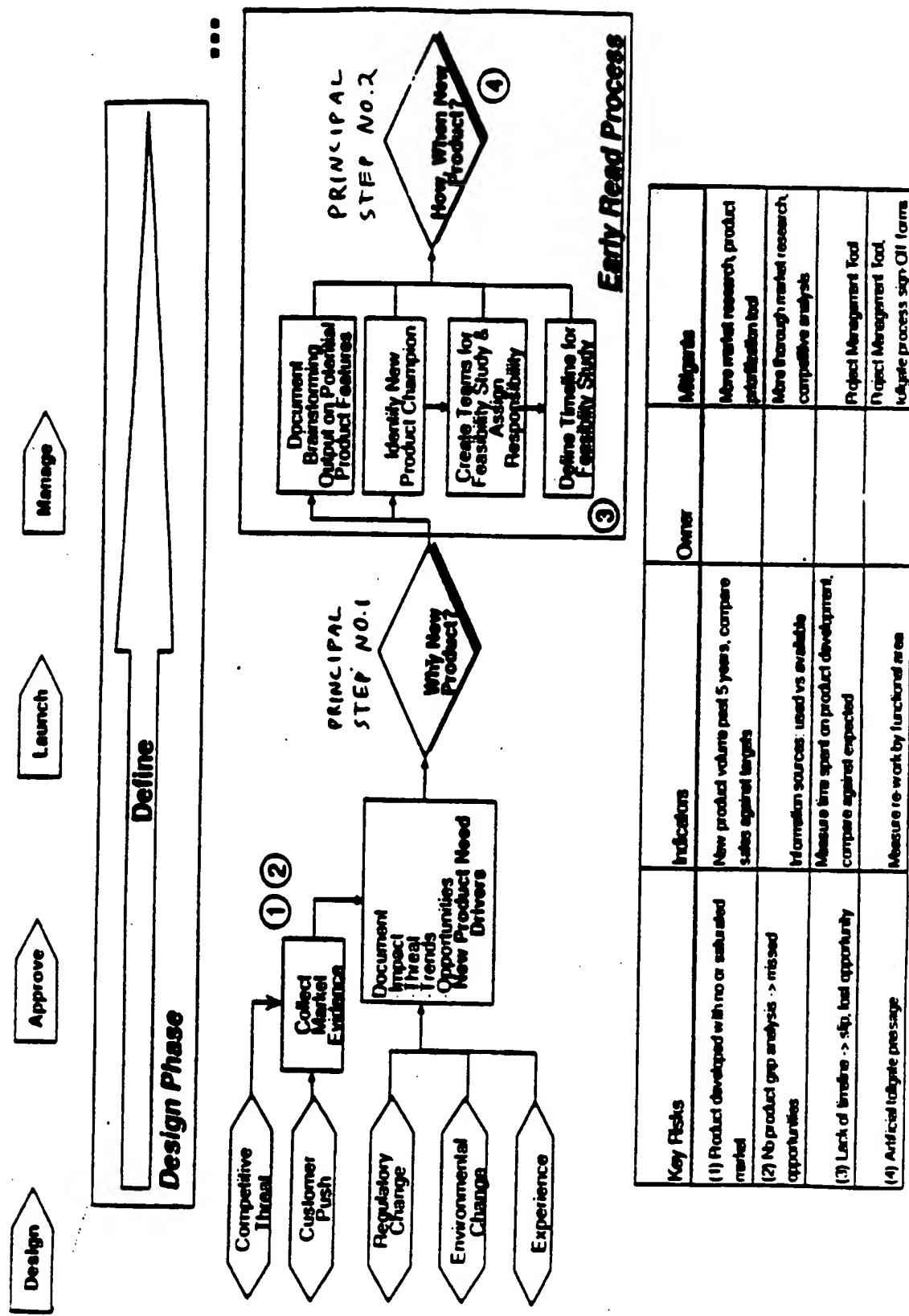


Fig. 11 A

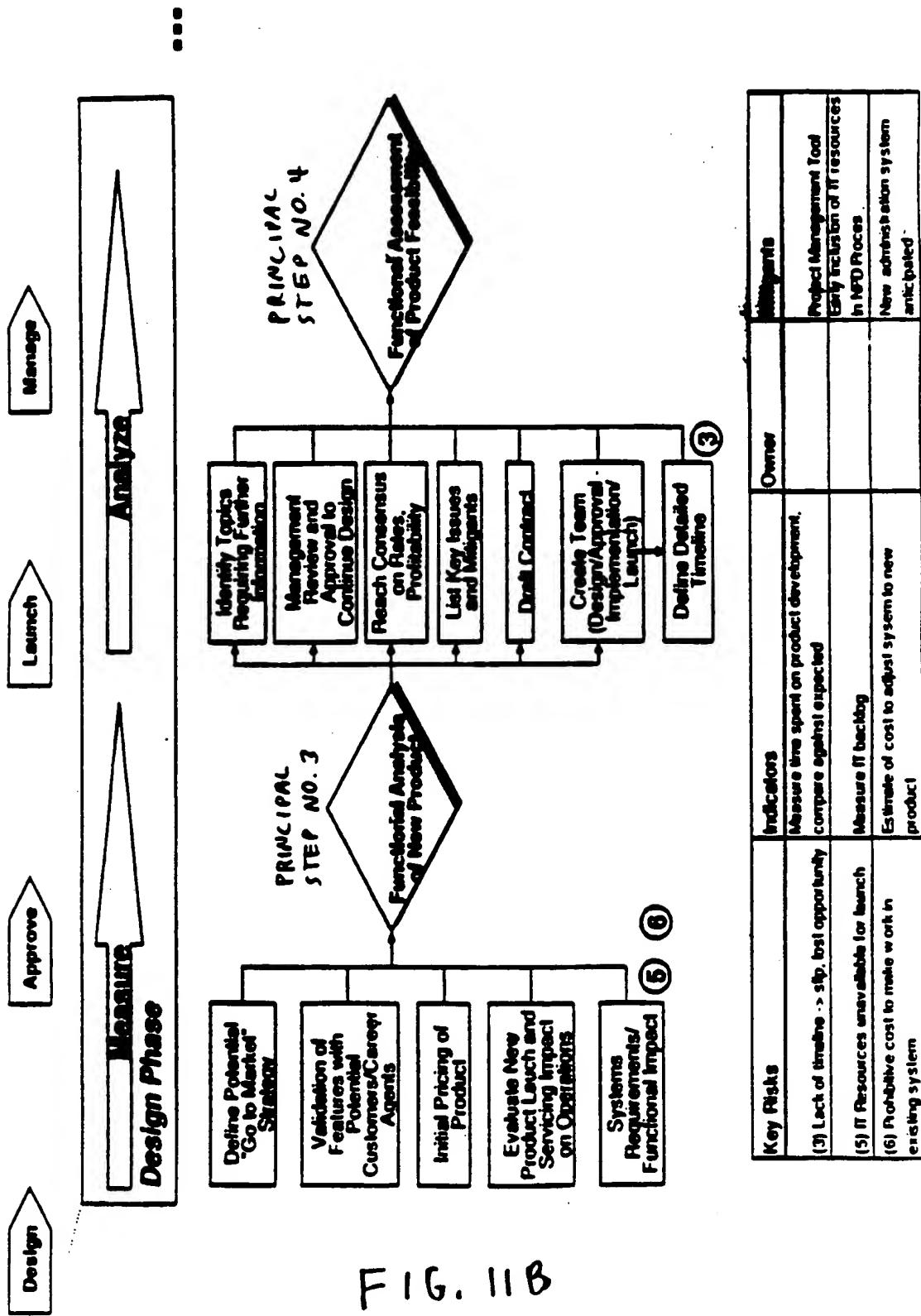


FIG. 11B

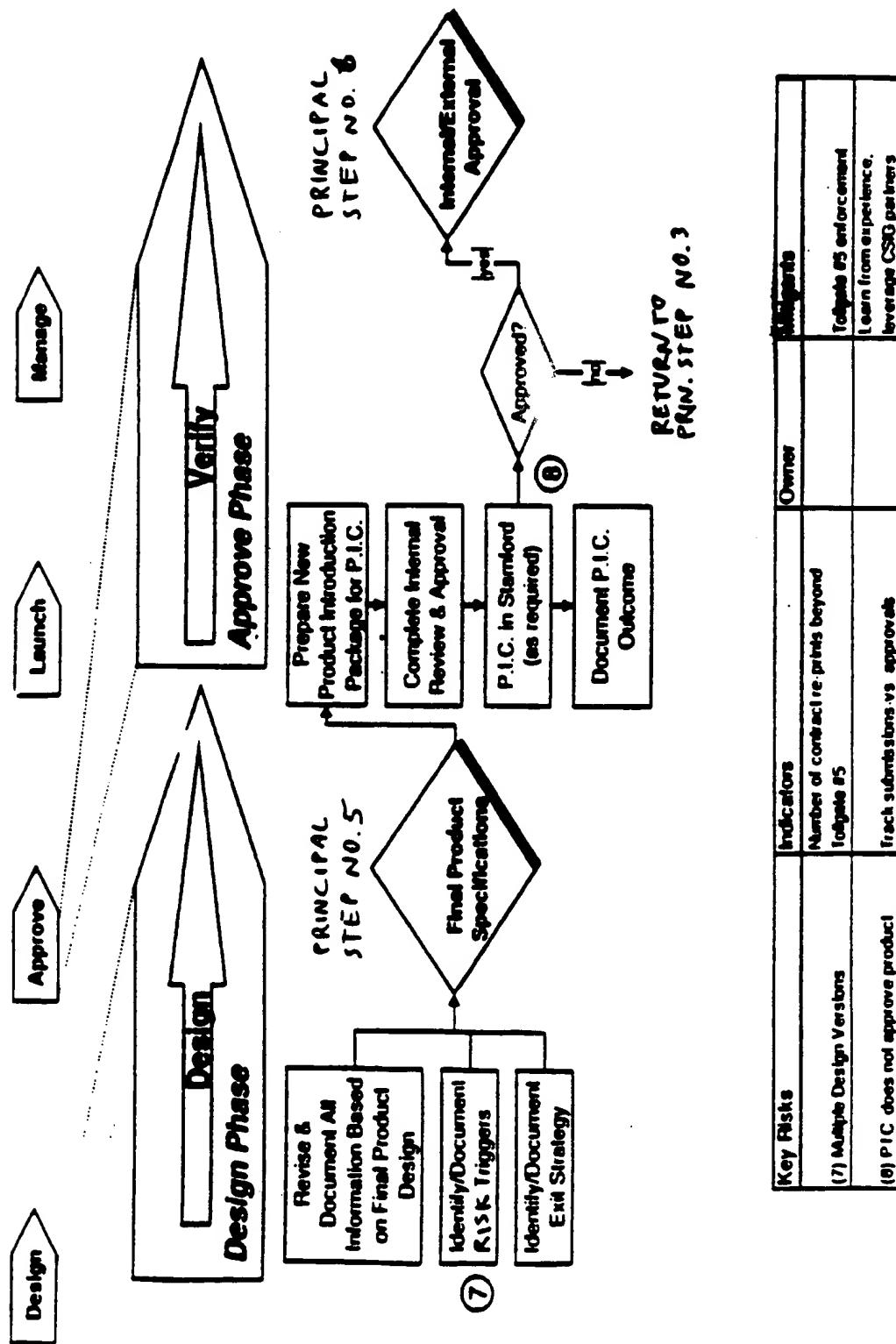
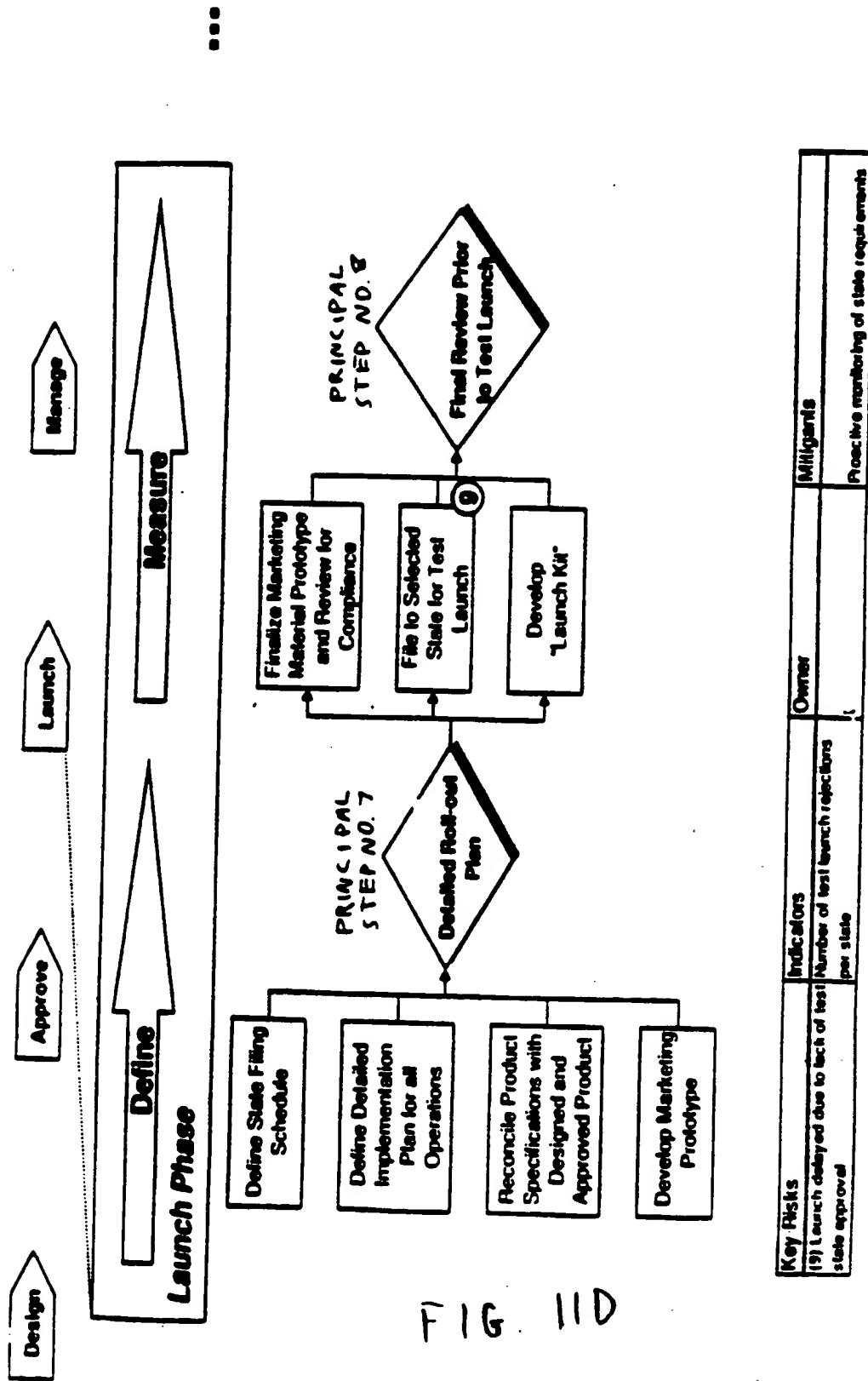
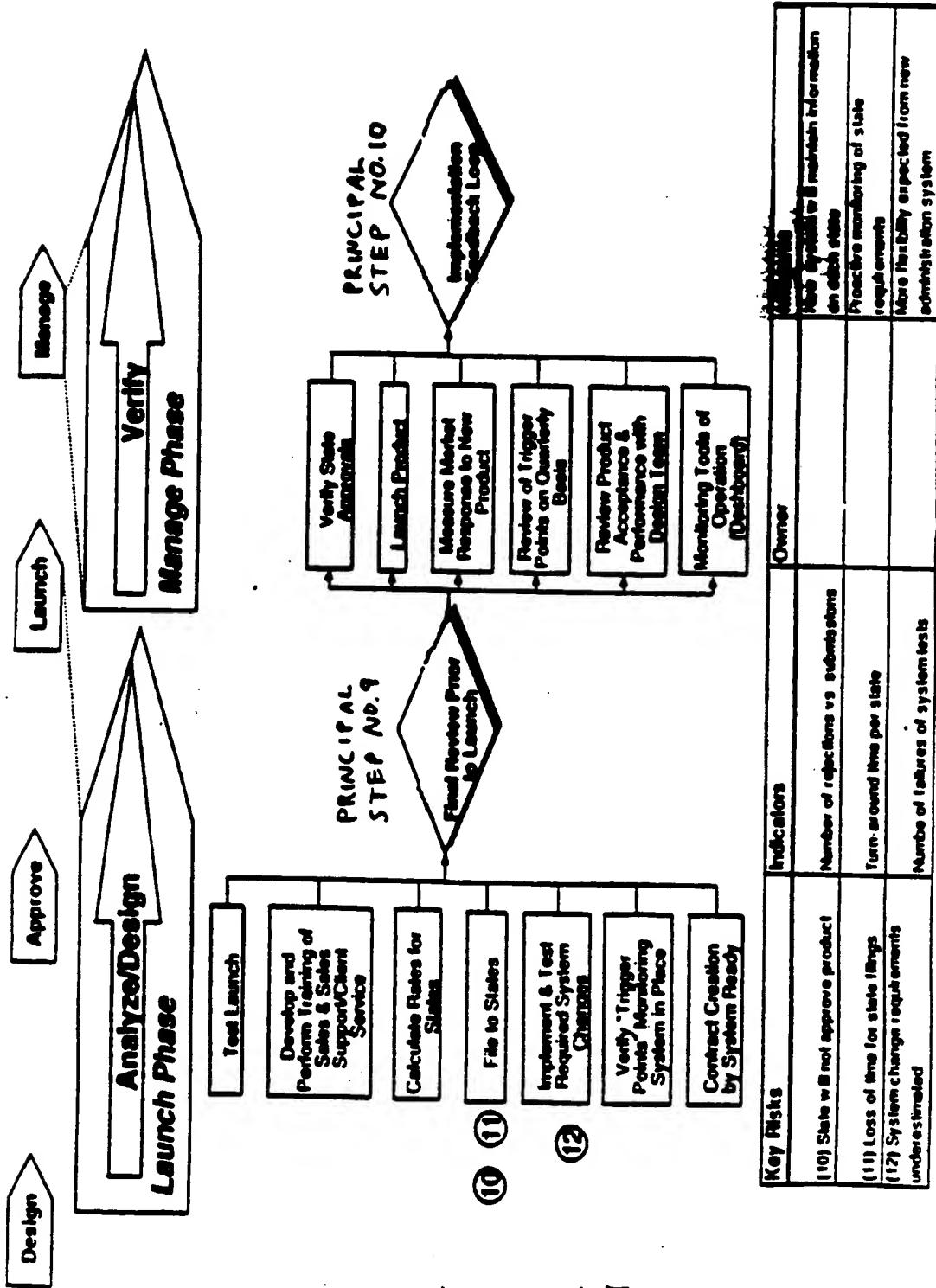
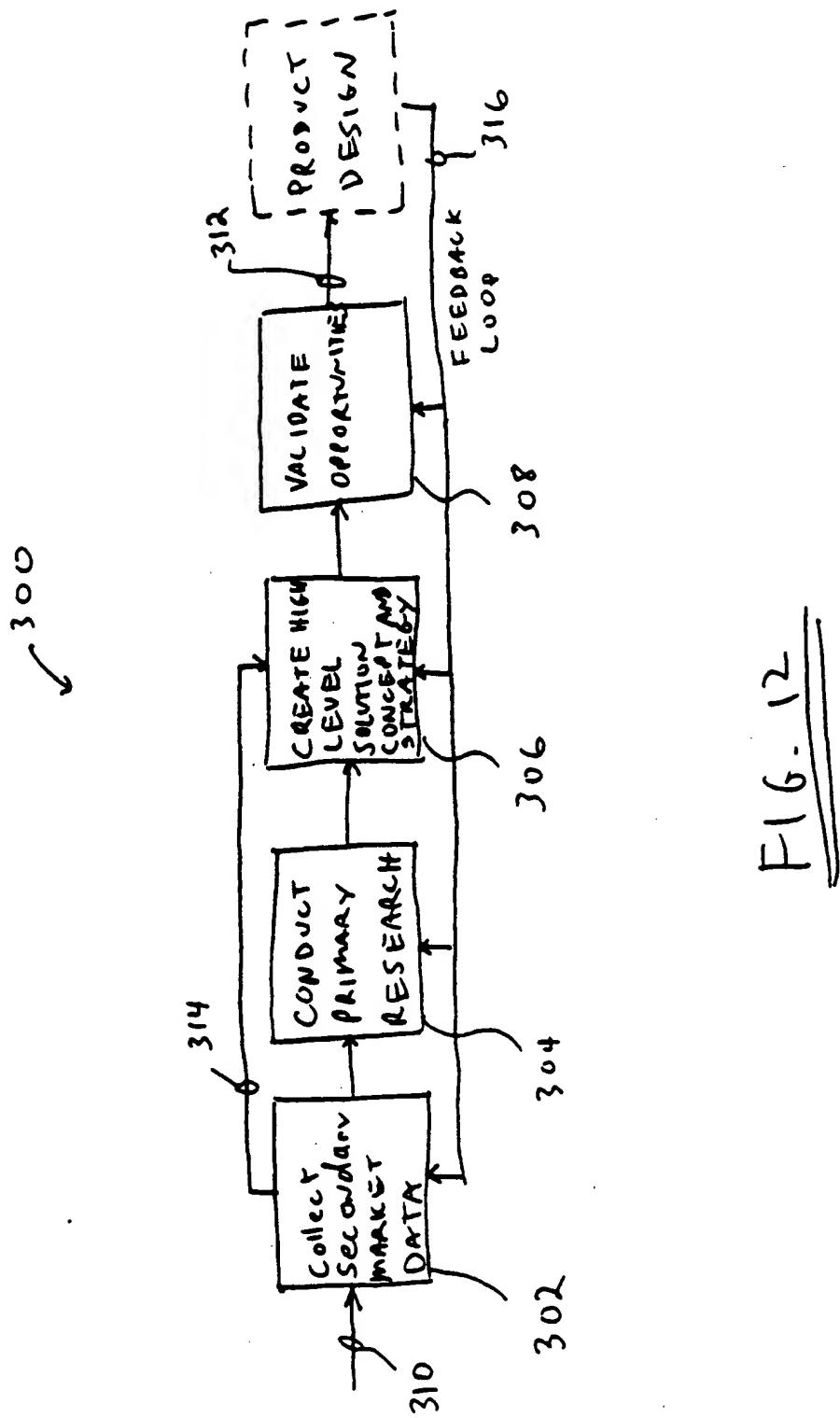


FIG. 11C





## FIG 11 E



F16-12

